

Norm Cates'

PRSR STD
U.S. Postage Paid
PERMIT #3592
ATLANTA, GA

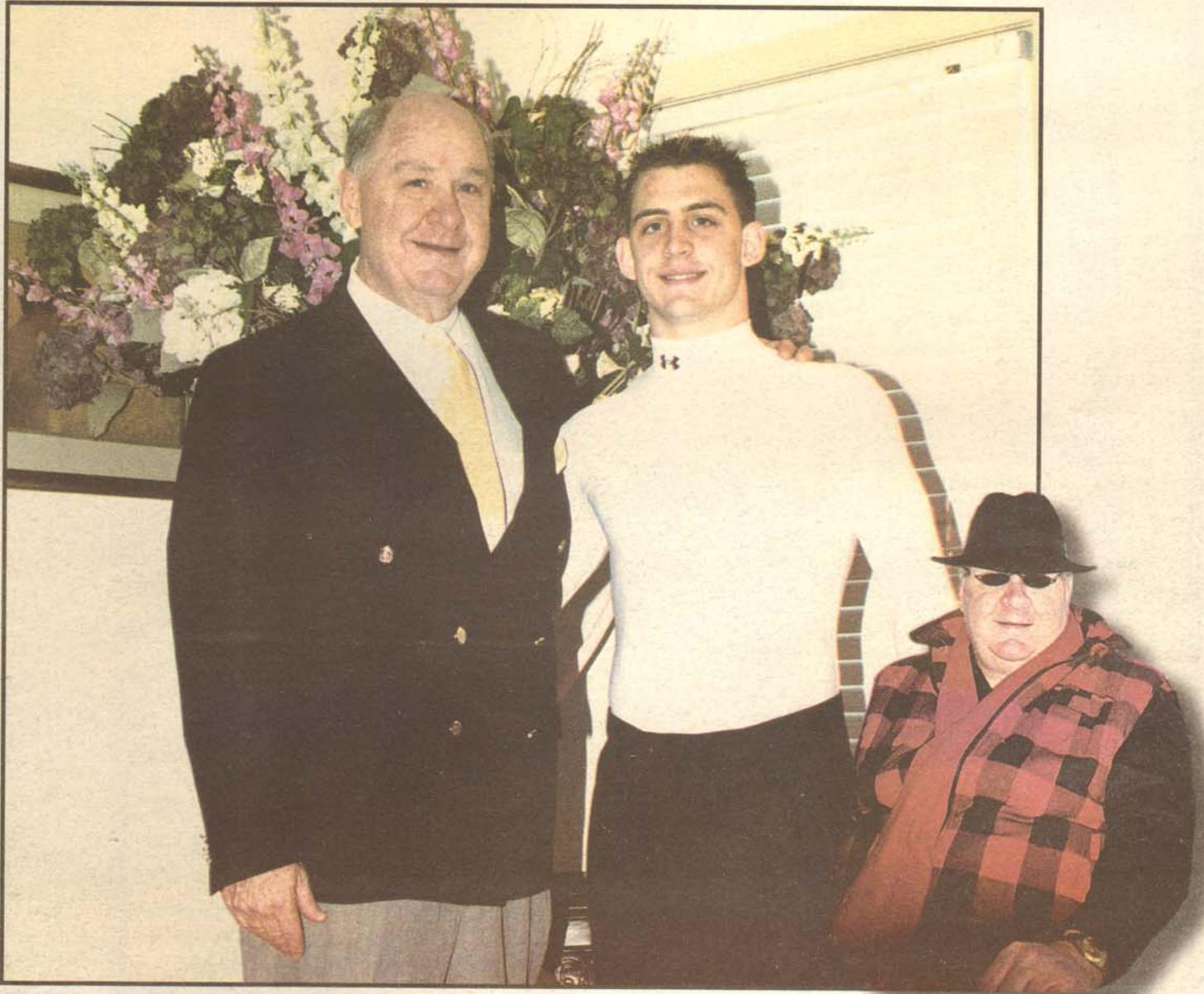
THE Club Insider

NEWS

FEBRUARY 2002
VOLUME 9 NUMBER 2

The Pulse of the Health, Racquet & Sports Club Business Worldwide

100TH ISSUE SPECIAL EDITION!



(Left to right)
Norm Cates "After"
and Justin Cates

Norm Cates "Before"
at 343 pounds.

Norm Cates

"Leaving Fat City!"

WANT RESULTS???

- ☞ **New Competition**
- ☞ **E.F.T. Not Increasing**
- ☞ **Attrition = New Sales**
- ☞ **You Are Expanding (and need more members immediately)**

- ☞ **Not Hitting Monthly Goals**
- ☞ **Competitor Expanding**
- ☞ **Advertising costs too high**
- ☞ **Not-for-profits coming into your market**

You Have A Choice...

if you want to have an innovative marketing and sales training program with measurable results,

WE SHOULD TALK.

800-428-3334

Sales Makers at
IHRSA Convention in Phoenix

Ed Tock

*Charting the Course:
Pre Sales and Expansions the
Future of Our Industry*
Thursday 10:30- Noon

Lyle Schuler

*Overcoming Objections with
Passion and Conviction.*
Thursday 3:30-4:45 pm

Stop by Booth 433
During the Trade Show.



A Consulting Firm Specializing in Marketing and Membership Sales Since 1981

800.428.3334

51 Old West Point Road E.
Garrison, NY 10524
845.736.0307
Fax 845.736.0508

info@sales-makers.com
www.sales-makers.com

Norm Cates'

THE Club Insider[©]

NEWS

The Pulse of the Health, Racquet & Sports Club Business Worldwide

FEBRUARY 2002

"Leaving Fat City"

An Introduction

By: Norm Cates, Jr.

My name is Norm and I am "Leaving Fat City!" I make this statement to you with enormous pride and great happiness.

You're probably thinking: 'Okay, so what does "Fat City" mean?' "Fat City" is what I call the obese and overweight condition that I had allowed myself to enter. By the age of 56 and a height of 5'11", I had swelled to a weight of 343 pounds! Not a pretty sight! I mean, check out that 'Before' photo on the cover of this edition. When I was in 'Fat City', I was causing a serious case of 'eye pollution' and I truly feel for the folks that had to look at me!

I make no excuses, because there are no excuses for having resided in Fat City! Circumstances, yes, excuses, no! I've had two very bad accidents that immobilized me, one while water skiing competitively and a car wreck that caused me serious back injuries. I battled a life threatening skin cancer on the side of my temple. And, I have been sitting at a computer producing my newspaper, The CLUB INSIDER News, for the last 9 years.

There simply are no excuses for having arrived and lived in "Fat City." I had let bad habits and inactivity cause me to swell to a whopping 343 pounds. I could have dropped dead at any moment! My waist had reached the bulging size of 58 inches and that also

happened to be my suit size. It was difficult to get out of a chair and I became winded just walking across the room!

Over my lifetime I have gained weight and lost it. Gained it back and lost it again. Gained more back than before and lost it. Then gained it back again with a lot more each time. Does this sound familiar?

Then, 15 months ago I embarked on my personally developed program to save my own life through regular exercise and reduced intake. I am proud to say that I have lost 106 pounds on my final goal of 120 pounds!

When I reach my goal, I will be at my old college football playing weight of 220 pounds. But, right now, even at 234 pounds I feel

terrific and look much better! My waist is 42 inches and dropping. I expect to level off at about 38 inches. Probably most importantly, I feel as if a ton of bricks have been lifted from me! Just imagine carrying around the equivalent to a small sized person, every day, all day.

I also sleep 1000% better because while in 'Fat City' I suffered from a very serious problem, Sleep Apnea. Sleep Apnea is a disorder that many obese people live with and don't even know it. It is a breathing disorder that wakes you up hundreds and hundreds of times each night because you actually stop breathing due to the excess fat that clogs your breathing passage. By morning you simply wake up exhausted! So, a natural by-

product of eliminating over 100 pounds of fat has been much better rest and incredible energy. Back when I was "Living In Fat City" I had to have a nap just to make it through the day. I rarely, if ever, take a nap now. I wake up energized and rarin' to go every morning!

How did I do it?

This is what I want to share with you in the book. I found out that the important thing was to first understand and face the demons that made me the way I was. Identify and deal with your demons folks and you will cure your obesity and overweight problem!

To summarize how I did it, here is what happened:

(1) I HAVE STOPPED DRINKING FOREVER!
(See "Leaving Fat City" Page 6)

Rudy and Virginia Smith Celebrating 50 Years of Excellence!

By: Norm Cates, Jr.

Part II

This is Part II of the story of a special man, Rudy Smith and his lovely wife, Virginia. Rudy and Virginia have experienced a wonderful career in the health club business and today operate four of the finest health clubs

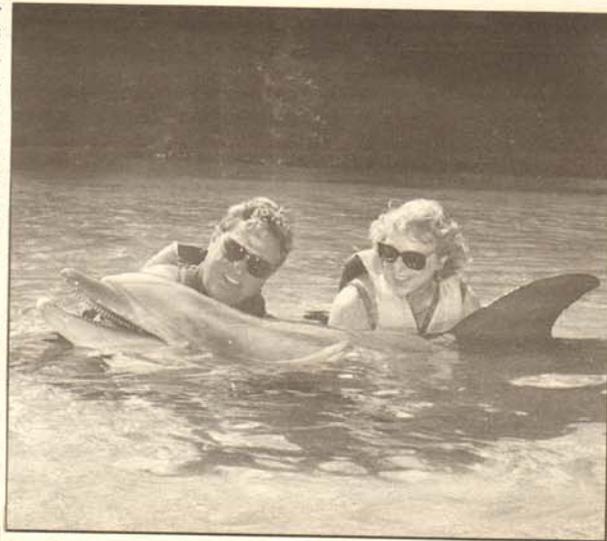
you will find anywhere, The Las Vegas Athletic Clubs. In our January cover story we heard from Rudy and Virginia about their early days in the health club business, their struggles, their experiences and their achievements. In Part II we will hear about Rudy's wildest health club memory, Rudy and Jack and Elaine LaLanne's comments about The Smith Machine and key points about Rudy's acqui-

sition and complete turnaround of the original 4 Las Vegas Athletic Clubs. Smith acquired the four LVACs in 1991 and grew them from 80,000 square-feet to the current 180,000 s.f. with revenues increased from \$3 million per year to \$16 million. Membership at the Smith's four clubs have risen from 4,000 to 60,000!

Q. "Rudy, what is the wildest experience you've ever had in the health club business?"

A. I can remember when we (Holiday Health Clubs) replaced our little club in Hollywood with a big club. We went from 8,500 square feet to 55,000 square feet. We

(See Rudy Smith Page 8)



Rudy and Virginia Smith playing with "Flipper".

Inside The Insider

- ACE Announces Fitness Trends For 2002
- Michael Scott Scudder On 2002 Recovery
- "Spa Insider"-A Brave New World
- The Milner Report

•NORM'S NOTES•

•Our most sincere condolences to the family of **BILL GRANTHAM** and to the staff and members where Bill was the long-time General Manager of the Little Rock Athletic Club. Bill died suddenly at age 51 of a pulmonary embolism on the evening of January 25th, 2002. May he rest in peace.

•This is our 100th ISSUE SPECIAL EDITION! and boy, oh boy, have I got a great issue for you! But before I go any further in this 100th NORM'S NOTES, I want to thank all of our advertisers and paid subscribers for their support over our first 8 years and 4 months! Without your support we would not be doing this and I can only say a great big "THANKS"! You will find our advertisers to be the best in the business in their respective areas and the most stable group of vendors in the business and we would appreciate if you would contact them and do business with them. And, if you're going to the IHRSA Trade Show, visit them at the IHRSA Exhibit #'s shown here. In this 100th ISSUE SPECIAL EDITION we offer Part II of **RUDY** and **VIRGINIA SMITH's** terrific story and an exclusive inter-view with **CASEY CONRAD**, the Founder and President of **Healthy Inspirations, Inc.**, the weight loss business that is

taking the club industry by storm and producing incredible numbers for Casey's club clients. I've also published the Introduction and the Dedication of my new book, "LEAVING FAT CITY!" I am sharing my very personal experiences with obesity and my weight fluctuation over the years with you all because of two reasons: (1) I want you to be thinking about getting into the **WEIGHT LOSS BUSINESS** as an integral part of your club operation, and (2) I consider each of you, my readers, as a part of an 'Extended Family', if you will. And, my "Leaving Fat City!" is certainly "family stuff!"

•Don't miss IHRSA's 21st Annual Convention and Trade Show in Phoenix, March 6-9th.

•BE SURE TO VISIT OUR GREAT ADVERTISERS AT THE FOLLOWING IHRSA EXHIBITS: The **CLUB INSIDER** News-#1384, Life Fitness-#510, CheckFree-#2312, Affiliated Acceptance Corp.-#2720, Association Insurance Group-#2646, SalesMakers-#433, Body Training Systems-#1816, Free Motion Fitness-#1110, Ivanko Barbell Company-#206, Thomas Plummer & Company-#2745, Healthy Inspirations-#1935, Premium Performance Training-#1635 and Club Performance Network/Faust Management-#1322

IHRSA has the biggest and best Convention and Trade Show on the planet every year so I've got to try to get through to some of you club owners out there in the club industry whose clubs are

not IHRSA Member clubs. Hello! Let me try to understand your thinking. You own and operate a For-profit commercial health, racquet or sportsclub in the year 2002 and you are not a member of IHRSA? (The International Health, Racquet and Sportsclub Association). Do you not place a value on club business knowledge and expertise? Do you not realize that you must look outside your club to gain knowledge and expertise? Well, at the risk of insulting you, I am going to say the same thing I've told thousands of people in the industry. If you truly WISH to be successful, profit-able and around for a long time in your health club operation, you SIMPLY CANNOT AFFORD NOT to be a member of

MEREDITH POPPLER at extension #129. Or, if you don't want to dive into the pool until you test the water, come on out to Phoenix and attend the IHRSA Trade Show for free call (800) 228-4772 ext.#128 and ask for **COURTNEY LYDDY**. I promise you will be glad you did! Oh yes, if you still need convincing on the smart decision to join IHRSA just drop by my **CLUB INSIDER** News Exhibit Booth #1384 and I'll personally sell you on joining IHRSA! Bring your check-book! If you're already involved in IHRSA, drop by anyway and let's chat awhile. See you in PHOENIX!

•**FITNESS MANAGEMENT** Magazine's Nova7 Awards Night will be held at IHRSA Phoenix on Thursday evening, March 7, 2002 from 6:30 to 8:30 p.m. the event will be open to all show attendees and will be emceed by the one and only **SANDY COFFMAN!**

•By the way, The **CLUB INSIDER** News is not controlled by IHRSA in any way. We are independent. Nor does IHRSA membership provide you with a free subscription to The **CLUB INSIDER** News. We sell subscriptions so you can receive The **CLUB INSIDER** News every month. However, I personally support IHRSA and can tell you that IHRSA Membership is more important than ANY piece of equipment or anything else you can do at your club because IHRSA holds the key to KNOWLEDGE for YOU! Open your mind to the new world for you at IHRSA!

•I'm happy to call your attention this month to two new editorial columns: 'The SPA Insider', page #18 and 'Architect's Corner' on page #16. Each month we will feature information in our 'Spa Insider' that will help you evaluate and consider a new and strong Spa profit center for your club. Our 'Spa Insider' kicks off with a terrific article by Ms. Jennifer Lynn Director of Accounts with **Natural Resources Spa Consulting**. Jennifer may be reached at:

Jennifer.Lyn@msn.com or (478)405-2231. Our 'Architect's Corner' monthly column kicks off with a great article from club industry veteran, **RUDY FABIANO**, of **Fabiano Designs**. Rudy may be reached at: www.fabiano designs.com or (873) 746-5100. Hope these new columns help you grow the income in your business.

•The latest studies show that there are now 17,807 health clubs in the United States! This number has continued to grow over the years along with the number of health clubs and club members around the world. However, I see a cloud over the horizon in Europe and I want YOU to be one of the first to know. There is an old economic axiom that goes something like this:

"EXCESS PROFITS BREEDS RUINOUS COMPETITION." While I really hope that I am dead wrong on this, I've been watching this situation over there for awhile now and I see the growth moving way, way too fast. The growth is not market driven in my view, it is entrepreneur driven and that is a formula for disaster! If the Europeans don't slow this juggernaut down you can say you read it first right here. You see, the Europeans are marketing and selling their health club memberships in a virtually pristine environment when it comes to the public. In contrast to the United States, the Europeans do not have to contend with the history of the health club industry that U.S. club operators today compete with all the time. They have not had a history of high pressure sales tactics, 'closing rooms', bait and switch advertising and mass club closings like we have. (Do you remember LivingWell?) There fore, the European public is accepting health club memberships and handing over their money with much greater confidence than do Americans. Virtually every American has either had a bad experience with a health club or they know someone that

(See Norm's Notes Page 5)

Norm Cates


Established 1993

The **Club Insider** News is published in Marietta, Georgia. Those wishing to reproduce any portion of The **Club Insider** News may do so provided it is not for resale in other publications. Reprints for commercial use will be provided upon request.

PUBLISHER AND EDITOR: Norm Cates, Jr.
 COMPUTER LAYOUT SPECIALIST: Justin Cates
 COMPUTER OPERATIONS/WEBMASTER: Justin Cates
 PRINTING AND MAILING SERVICES: Walton Press

Box 681241, Marietta GA 30068-0021 • (770) 850-8506
 Fax (770) 933-9698 Or Email: clubinsidernews@mindspring.com
 www.clubinsidernews.com

...Norm's Notes

continued from page 4

has! That explains the most difficult statistic we have in the business in the U.S., i.e., only 8% of the U.S. population is a member of a health club! So, STAY TUNED! I predict that within two years from this edition, by February, 2004, you will see a health club 'shake-out' in Europe that will rock the health club industry world-wide! Then the other economic axiom that always applies, 'the MARKET RULES' will have spoken loud and clear! Sure hope I am wrong!

•Last month just after deadline I heard from one of our former Cover People,

MIKE MINTON, the founder and owner of **Minton's Sports Plex** in **Texarkana, Texas**. He told me some figures that I had a hard time believing until I asked him to write back and confirm what was going on at his club in this town of **Texarkana, population 60,000**. Mike wrote: "670% profit is correct. The reason it is so high is two fold. 1. at this stage of the game overhead - staff, utilities are low cost 2. your kids in youth programs after school care and summer care excel. They have a 60% profit margin. The parties, corporate parties, after hour prom parties, holiday parties and class reunions. They have a 100% to 400% profit margin. example - A Christmas party

for 400 people is about \$30,000.00 with the expenses of only \$8,000.00. The trick to being so profitable with facilities that have large overhead, is to utilize the facilities to the utmost, including nights and weekends. Hope this is helpful." Thanks Mike!

•THANKS to **SOCRATES TSIGALAS**, Marietta, Georgia-based photographer, for the nice job he did with the Cover Photo of my son, **JUSTIN CATES** and I. Handsome young man, that Justin Cates, don't you think?

•**JERRY JANDA**, the young fellow that was the Editor of **CLUB INDUSTRY Magazine**, has left Club Industry to take a job working for with former associate **TERRY MOFFATT** at his new company, **SAP Corporation**, a large developer of business software. Good luck to both of these really nice guys as they move onto other worlds.

•**DEREK BARTON**, one of the world's two TOP CLUB BRANDING experts, informs me that **GOLD'S GYM INTERNATIONAL** has been recognized by "**FRANCHISE TIMES**" Magazine as being in the nation's "Top 200" franchise organizations. Gold's was #108th on the list that is based on "sales from the businesses operated by the franchisor and its franchisees." In FY 2000 Gold's topped \$400 million in 511 operating gyms.

•Congratulations to **DAVID COHAN**, Pennsyl-

ania club owner and former **IHRSA** Board Member, as he has led the fight to defeat the appeal by the **Sewickley YMCA** upholding a lower court's decision to revoke the tax exemptions of the **Sewickley YMCA** fitness center. Both Dave and industry icon, **ALAN SCHWARTZ**, the Founder and Chairman of **Tennis Corporation of America**, were involved in winning this battle. Although the ruling applied to just the 6,519 s.f. fitness center part of the YMCA, it is a start and a precedent that should help in this fight nationwide. Tough deal this YMCA battle.

•Speaking of battles, **JOE 'THE GLADIATOR' MOORE**, has been involved with his **Ohio Fitness Association** members to stop in its tracks a new \$5 million YMCA fitness center on community park land. The local Y President told the **Cincinnati Enquirer**, that this was the "first time he could remember a Y caving into community pressure like this." If you know Joe Moore, then you know why this has happened. Joe Moore, a 30+ year club business veteran is relentless in his pursuit of non-profit competition in his State! Keep at it Joe and OFA!

•Congratulations to three **IHRSA** clubs that have been honored by the **U.S. Water Fitness Association** for their water programming expertise and performance. The clubs were: **Los Cabellerros Club**, Fountain Valley, CA, #1 among athletic clubs, the

Newtown Athletic Club and Aquatic Club, Newtown, PA., 1st among Health and Fitness Centers and the **White Bear Racquet and Swim Club**, White Bear, MN., #1 among tennis clubs. Also honored in the "all category national rankings were: The **Atlantic Coast Athletic Club**, The **Richochet Health and Fitness Club**, **Gold's Gym**, Garland, TX. And The **Greenville Racquet and Fitness Club**. Congrats to all!

•The **Health and Fitness Corporation** has landed agreements with two Fortune 150 companies in the U.S. to provide health and fitness management services. The names of the companies were not disclosed at this time, but the agreement calls for **JERRY NOYCE** led **HFCA** to provide management services and development services to these large U.S. Corporations. Congrats Jerry and Team!

•**AEDs or Automatic External Defibrillator Devices** are true life saving devices whose value is about one million times more than they cost if you are on the receiving end of the restart! So far, health club owners have been left to consider and acquire this important equipment for their clubs when they saw fit. In Pennsylvania, New Jersey and Rhode Island, legislation has been proposed that would require all health clubs to have an AED on property. I don't like government getting into our business, but these bills may pass. **IHRSA** has made a huge discount program available for the Philips AED so check it out by calling: (800) 228-4772.

•**MIKE TALLA** and **REX LICKLIDER**, the **Sports Club Company** CEOs, report that they have sold their Las Vegas Sports Club to **STEVE GILMOUR's Leisure Sports Group**. These guys from both companies all operate in a world of their own when it comes to the magnitude and quality of their mega-clubs!

•**STAY TUNED**, and **THANKS FOR BEING WITH US HERE ON OUR 100TH Issue SPECIAL EDITION! GOD BLESS AMERICA and OUR TROOPS and ARMEN OVERSEAS!**

FRIDAY REPORTS

Weekly Marketing Insights
For The Club Industry

- ▶ The only "how-to" Faxletter for club owners, general managers & sales/marketing directors!
- ▶ Immediately-usable marketing action ideas in each issue!
- ▶ We do research; you reap the benefits! We research 100+ business periodicals for you!
- ▶ Only \$179.00 per year (Less than \$3.50 per week).

▶ Subscribe now, call
800-778-4411

NOW IN OUR 6th YEAR!!!

Fax to:
212-987-4227
(Back issues available)

A PUBLICATION OF CLUB MARKET VISION

177 EAST 87TH STREET, SUITE 301, NEW YORK, NY 10128

Norm Cates'
THE Club Insider
NEWS

Subscription Form

Name (s): _____
 Attach List For Additional Subscriptions
 Club Name: _____
 Address: _____
 City, State, Zip: _____
 Telephone: _____
 \$89 (U.S.) - 18 Issues (Includes Canada)
 \$69 (U.S.) - 12 Issues (Includes Canada)
 \$149 (U.S.) - International (One Year)
 Check Enclosed or Charge To:
 MC Visa AMEX Discover
 Card # _____ Exp. _____
 P.O. Box 681241, Marietta, GA 30068-0021 or Fax: 770/933-9698
 Call 770/850-8506 or E-Mail: clubinsidernews@mindspring.com

...Leaving Fat City

continued from page 3

I made the decision to stop drinking forever because for a significant portion of my adult life drinking made it impossible for me to control my weight. And to be perfectly honest, sometimes when under the influence of adult beverages, I have behaved in ways that did not make me proud, nor was I a good role model for my son, Justin, now age 17. (See cover) I stopped drinking cold turkey, forever.

(2) I ELIMINATED CONSUMPTION OF ALL STARCHES AND VIRTUALLY ALL SWEETS from my diet for the present time. I love ice cream, lots of it, and it loves me. By identifying my biggest weakness, I learned to substitute other treats for this troublemaker in my life.

(3) I EXERCISE WITH A MAD DOG PASSION! I rarely, if ever, miss my daily exercise. Normally I walk at least 3.2 miles per day and on Saturday's I walk 9.6 miles nonstop in 2 hours and 30 minutes! I have started to lift weights and am doing BODYPump and a little 45-minute weight program 4 times per week.

To summarize, I have literally been reborn into a happy and healthy life of fitness and wellness. I thank God everyday for that blessing and for sparing me from an early entry into the ground.

We are not alone in America! "Leaving Fat City" is a book about the battle with obesity and being overweight that you or a friend or loved

one may be fighting and losing! The U.S. Surgeon General tells us that nearly 170 million Americans are in "Fat City" and it's getting crowded in there. You have not been alone, nor was I, but it sure felt like it! "Leaving Fat City", is intended to help those living and dying in Fat City!

If you are suffering from obesity or overweight you don't have to live in "Fat City!" anymore. There is a way out. I can help you find it.

"Leaving Fat City" will help you to accomplish the following:

(1) You will fully realize that you are not alone. Feeling alone in this is tough.

(2) You will identify the demons that can cause you to 'live in Fat City.'

(3) You will find a detailed step-by-step process for "Leaving Fat City", which, if followed and adhered to, will result in reaching your target weight and maintaining that weight for the rest of your life.

(4) You will learn the reasons why overweight/obese people don't join health clubs and how you can successfully approach and use your local health club to accomplish your weight loss goals.

"Leaving Fat City" is about much more than just weight gain and loss. It is about the emotional pain, embarrassment, mental anguish, heartache, frustration and loneliness that obese and overweight people suffer everyday.

My excess weight had reached a point that put me at great risk of many illnesses, including: heart disease, dia-

betes, high blood pressure, stroke and the list goes on and on. For me, making the decision to turn myself around 180 degrees was, a life defining decision. I chose to live and get the most out of the rest of my life. And, I can tell you that getting the most out of life now is well worth it.

Are you "Living In Fat City?" Is a member of your family living in "Fat City?"

Are you or is someone you care about headed straight toward obesity related diseases or a premature death, not to mention living life at a sub-standard level?

If your answer is yes to any of these questions, read this book. It could save a life, yours!

I have served as a sort of "Undercover agent" spying on the inside of the disease of obesity. I have lived it and I know the pain and suffering that each obese or overweight person feels. I know that we can give-up and give-in to the weight battle. And, I know how to go about reversing that mindset and what to do to finally be "Leaving Fat City."

I invite you to dig into this book and use the knowledge you gain to change your life. By following the recommended steps you will soon be "Leaving Fat City!"

(Norm Cates, Jr. is the Publisher of The CLUB INSIDER News and a 28-year veteran of the health, racquet and sportsclub industry. Cates was the 1st President and a Co-founder of The International Health, Racquet and Sports club Association, a non-profit club association dedicated to

"LEAVING FAT CITY"

A DEDICATION and SPECIAL THANKS TO THESE SPECIAL PEOPLE!

This book is dedicated to these special people with sincere thanks and great appreciation.

I've probably gained and lost over 500 pounds during my life. But, one thing that has not changed has been the wonderful and kind dedication and care from a number of people. While I write this Introduction to "Leaving Fat City I think of the many people that have been kind to me and helped me, but the few that stand out in my mind are mentioned below." However, first I would like to thank God for sparing me when I was on the precipice of destruction weighing 343 pounds with my eating, drinking and lack of any exercise moving me closer every day to death.

I want to thank my patient and loving family, especially my son, Justin, for his strength, help and patience with his dad. I regret to say that I was not a good role model for him for a portion of his childhood. Thanks to my brother Dave, my dad, and my Aunt Mary and Uncle Sam, for their patience, their expressions of genuine concern over the years, their strength in dealing with the heartache and their love. Without them, I am sure I would have ultimately gone over the cliff to death. I would like to thank the lovely Deborah Dennison, my "Guardian Angel Coach", as she changed my life more than anyone with her long distance coaching and spiritual support, all the way from Canada.. I would like to thank Jack and Elaine LaLanne who helped me "make the break" after only spending a few hours with them a couple of years ago. Thanks to my friends Ray Wilson and Augie Nieto for the LifeCycle they sent me and the encouragement they've provided over the years. Special thanks to my good friend Dale Dibble as his inspiration and motivation has made me totally dedicated to my exercise, just like he is. My thanks to Casey Conrad, the founder and owner of Healthy Inspirations, Inc., for the true inspiration I got from her and the development of her new weight loss company. (See the article about Casey Conrad and Healthy Inspirations on this page). Thanks to Rich Boggs and Ray Irwin, my friends, former partners and current business associates for their positive influence on my weight loss and for sharing their awesome BODYPump Program with me. And finally, thanks to Jack Dennison, prominent Canadian club owner, for his caring and without fail, 'annual' lectures to me about my serious need to lose weight and get my life under control. I owe all of these people a debt of gratitude and appreciation. And, I will never ever forget what they have done for me. Ever.

the growth, professionalization, promotion and protection of the club industry. Cates may be reached at:

clubinsidernews@mindspring.com)

Casey Conrad Is Cooking With Healthy Inspirations!

By: Norm Cates, Jr.

Recent information has illuminated some major issues that the American population needs to deal with and really soon!

According to his most recent report in January, the U.S. Surgeon General Satcher announced in a "Call To Action" Report on Obesity and

Overweight that 61% of the U.S. population is obese or significantly overweight! This represents a true 'epidemic' according to Casey Conrad, highly respected club consultant and now weight loss entrepreneur. Conrad commented,

"You know Norm, what's killer about this obesity statistic is that if it had been any other disease, it would have been declared epidemic

years ago! In 1980 we were only 32% overweight and obese. Now, here we are in the year 2002 and it is up to 61%."

With her HEALTHY INSPIRATIONS program Conrad is committed to helping people take control of their weight problems with healthy, lifestyle based changes. In a recent interview I caught up with Casey to discuss how HEALTHY INSPIRATIONS

is doing after just 18 months from its' launch.

Club Insider: Casey, let's give our readers a little bit of background. When did you get your start in the club business?

Conrad: That was in 1986 when I started working for Spa Lady in Washington, D.C.

Club Insider: So, you spent a few years in the club

business and then established your very successful club consulting business, Communications Consultants, right?

Conrad: Yes, that was in 1989.

Club Insider: How did you get the idea to get involved in the weight loss business? I mean you've always appeared trim and fit to me, so how did that happen?

(See Casey Conrad Page 24)



IHRSA 2002

MARCH 6-9, 2002 • PHOENIX, ARIZONA
Phoenix Civic Plaza

IHRSA's 21st Annual International Convention & Trade Show



See all the leading companies and many newcomers under one roof at IHRSA 2002. With almost 10,000 people attending the show, the 350+ exhibitors have larger displays at IHRSA than anywhere else in the world.

>> Who ATTENDS AN IHRSA TRADE SHOW?

- Health clubs
- Spas and resorts
- Park and Recs
- Weight loss centers
- Residential complexes
- Developers
- Physical therapy centers
- Y's and JCC's
- Indoor sports facilities
- Military fitness
- Senior centers
- Distributors
- Hospitals
- Studios
- Tennis/golf/swim clubs
- Universities/colleges/schools
- Fire, police, correction centers
- Retailers

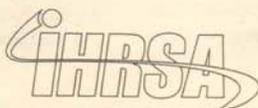
>> FREE ADMISSION PASS AVAILABLE ONLINE!

Log on to IHRSA's web site at www.ihrsa.org/meetings/convention/register.html to register for a FREE Trade Show pass. Good for admission to all 3 days of the trade show including Early Morning Workouts on Thursday and Friday! This is your chance to "try before you buy"!

Plus GET A 2-DAY NETWORKING PASS...AVAILABLE ONLY ONLINE!

Register online for a special 2-day Networking Pass for only \$75! This special "online only" pass will give you access to 2 Keynote Speaker presentations (Robert K. Cooper, PH.D. and Dr. Ken Cooper), all 3 days of the trade show, Early Morning Workouts and IHRSA's Closing Reception.

For more information on attending IHRSA 2002, including a complete agenda, visit IHRSA online at www.ihrsa.org/meetings/convention or call 800-228-4772 or 617-951-0055.



...Rudy Smith

continued from page 3

did some pre-opening marketing and the first day of workouts we had 6300+ members come through the doors! I guess that was the wildest thing I can remember. And, I was told later that the club reached a high of 10,000 workouts in one day!

Smith continues, Vic Tanny originally got the idea to make the clubs as elegant and glamorous and as exciting a place as a person could go. We decorated them so they would appeal to the upper 5%, then we marketed and priced them so that everybody, including the bottom 5%, could afford them.

When Tanny was building his chain he had gone from 4 clubs to 13 while I was just a manager and after that we started to really grow. In the late 1950s, shortly after I became General Manager, another outfit, American Health Studios, headed by our old friend Ray Wilson, came into the Los Angeles area. They picked our five weakest and least desirable locations and would open within a block or two of those clubs. They would make them more plush than ours and open them up selling lifetime memberships for \$25! Ray didn't control prices in those days, but they grew rapidly and gave us tremendous competition. It was quite an experience.

Q. Rudy, your name is on one of the most popular pieces of weight equipment there is, The Smith Machine. Can you tell us about that?

A. I got the idea from Jack LaLanne who had made a device which had pipes attached to the floor and the ceiling. And then there was a larger pipe that would slide up and down the smaller pipes giving it stability because it could only go straight up and down. Then Jack had some pegs welded onto the pipe so weights could be placed on it.

I went to Paul Martin and told him I wanted to build a free standing piece of equipment, using Jack's concept, that we could put any place in any gym. I told him we wanted to have the weight bar to be capable of handling a

tremendous amount of weight while being counterbalanced, so that ladies could exercise with it. So Martin came up with the idea of sprockets and chains and he had the bar clipped to a chain on one side and on the opposite side he attached dumbbells so it brought the actual weight of the bar down to just 10 pounds. Years went by and Martin could not keep up with our growth in the Holiday chain and he couldn't get equipment there fast enough. So Tanny started his own equipment company. He had some military friends and started selling equipment to the military. For example, March Air Force Base out here in Riverside had a complete Vic Tanny Gym in it. The people that marketed equipment for Vic Tanny's equipment company came up with a brochure and they showed the machine we had created as 'The Smith Machine' because they knew my involvement with the machine. Little by little, everybody else started calling it that and it sort of evolved. So, that was how The Smith Machine came about. There was a time when Jack was all upset because they called it the The Smith Machine, but he knows damn well how I got the idea. I stole it from that rig he had installed in his club!

Smith continues, Jack LaLanne is the guy that invented fitness as far as I am concerned. I can remember when we were young kids at Muscle Beach trying to get big enough to play football. I see this guy and it is Jack LaLanne up on the rings and his deltoids were puffed up something colossal. I said, 'Egads! Did you get those muscles from the rings?' and he said, 'No son, I got these muscles from training with weights. If it wasn't for weights I wouldn't be able to get up on the rings, much less do anything!' Jack said, 'I saw you over there talking with Armand and Vic (Tanny). Vic's got a gym here in Santa Monica and you ought to go join his gym.' And, I said, 'Yes sir!' Jack is one of the most inspirational people you will ever meet.

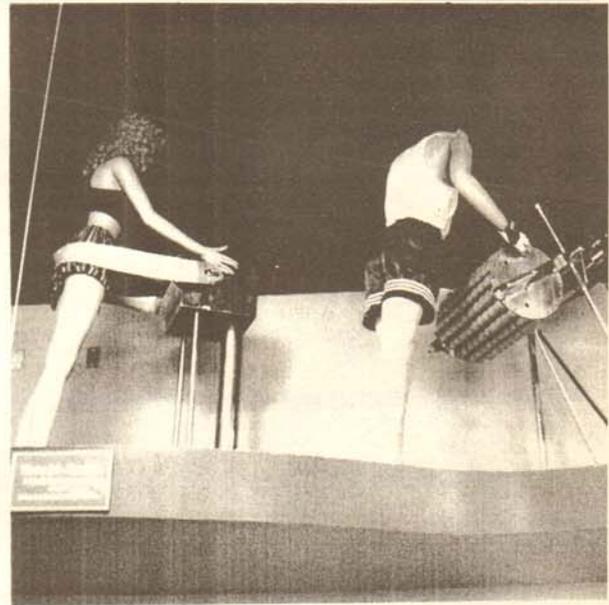
Q. Rudy, who do you credit with getting you into the health club business?

A. The people that got

me into the business and gave me my basic roots were in this order: Jack LaLanne, of course and Vic Tanny. Tanny was not only a friend, he was the Best Man at our Wedding. And, on that list was Harold Zinkin and Bruce Connor. The two of them had opened a gym in West L.A. They also had a big physical therapy department in their gym and they would take people that had been incapacitated from World War II or from Polio. They were taking people who were horribly handicapped and giving them a chance to lead a fully productive life. It was like watching Jesus walk on water. With weight training we would take guys that looked like Pee Wee Herman and completely change them. They would not just change their appearance, they would change their entire attitude, their personality and their outlook on life! So, between being at Tanny's Gym and Muscle Beach we witnessed it day-in and day-out for years. But, we knew that Tanny had something really great going for him. And, we haven't lost one ounce of enthusiasm throughout the years!

Comments From Jack and Elaine LaLanne

Club Insider- We reached Jack and Elaine LaLanne in California to hear their comments on Rudy Smith and those days. Jack said, "Elaine (LaLanne) and I have been friends with Rudy and Virginia for a long-long time. Elaine LaLanne added, And, Virginia Smith and I used to perform together in Minneapolis in the Aqua Follies back in the 1940s! Jack LaLanne- All of us guys at Muscle Beach were like a family. We were closer than brothers really. We had one thing in common, working out. We compared tricks and feats all the time. Everybody was there to help everybody else. We were also helping the young kids get started. A lot of these kids were just 9 or 10 years old and a lot of them were underprivileged. They got interested in working out and gymnastics and it really saved their lives by giving them a whole new purpose in life. We were there to compare



LVAC Antique Fitness Equipment Display

notes and better ourselves.

Club Insider- Jack, even though it bears his name, Rudy Smith told me he credits you 100% for the idea behind the development of The Smith Machine.

LaLanne- Well, I'm glad to hear that the truth is finally out about that story. How about that! When I came up with that idea I was trying to figure out how to help older guys in their 70s and 80s workout. A lot of these older guys could not do squats without losing their balance, so I got the bright idea of putting weight on a track so they wouldn't lose their balance. We still have the original machine right here.

Elaine LaLanne- Rudy is a straight shooter. He is very honest. He doesn't pull any punches. He just tells it like it is.

Rudy Gives Honest Advice To Newcomers

Q. Rudy and Virginia, what advice would you give any aspiring and up and coming health club developer/operator?

A. I would advise them to study business administration. Learn about amortizing an investment, deferring income, basic business principals. And then, work for somebody that has a successful operation for at least 5 years before they ever even think about opening their own clubs

themselves. They should be prepared when they start up to make no profit at all and they should be prepared to support themselves without income from their club at least for that first year. They should be prepared, because it is going to happen. They should make sure they have their business principals down pat. If they've worked for a successful operator for at least 5 years they will know things like how many people are needed within a 3 mile radius to succeed, how to market, how to sell and how to handle customers. They will learn how to handle employees. But, if they go out 'cold turkey' thinking they'd like to run a gym because it is a glamorous business, they should really think again. They shouldn't be in the business unless they're willing to clean up the toilets when they are messy. I still do it. You're in there to serve the public. You gotta keep that first, last and always.

The Las Vegas Athletic Clubs Staying Out Front!

Club Insider- Rudy, let's hear about your Las Vegas Athletic Clubs and what you've accomplished there. First, let me just say that I've seen many club chains and independent operations across the country and it looks like to me that you've developed a

(See Rudy Smith Page 10)

KAREN WOODARD'S PREMIUM PERFORMANCE TRAINING HAS THE RESOURCES TO MAKE THIS THE MOST PROFITABLE YEAR IN YOUR CLUB'S HISTORY.

Proven Effective Marketing Plans • Professional Sales, Service, and Management Training



ON-SITE CONSULTING

Karen Woodard will come directly to your facility for training and consulting services. This allows Karen to customize all programs to your staff, club culture and market conditions.

PHONE CONSULTING

Karen Woodard offers phone consulting services to discuss and counsel on your specific club issues. This is an off-site option providing expert direction in a flexible format. Excellent as an introduction or follow-up to consulting services.



WEBSITE

KarenWoodard.com has two unique areas, a public area and a Members-only area. This website is easy to use and has tons of tips to increase your profitability. You will love the ease of the Members-only area which includes most of Karen's inspiring workshops, as well as articles and special offers to increase your business.

REGIONAL ROUNDTABLE



Consists of 6-12 noncompeting clubs that will meet four times a year for two consecutive days. The benefits of the Regional Roundtable include staff training, club consulting, network discussions and club show casing. Roundtable members are welcome to bring four staff members to each event.

PRODUCTS



Karen offers **Power Tools for Profitability** to complement all her consulting and training programs. These tools can be used on their own or in conjunction with any of the Premium Performance Training programs. These products cover management issues, membership sales and service training.

Call today to make this year your best year and a template for years to come.

303-417-0653 or e-mail kdw500@aol.com



Premium Performance Training • 3619 Roundtree Ct. • Boulder CO 80304

...Rudy Smith

continued from page 8

true 21st century health club business prototype. Your clubs, even though they serve over 60,000 members, are some of the cleanest and well maintained clubs I've ever seen!

Rudy- We try to stay as far in front of the others as we can.

Q. When did you acquire the four Las Vegas Athletic Clubs and from whom?

A. I bought them in October, 1991 from a fellow named Rob Baruck.

Q. Rudy and Virginia, the Las Vegas Athletic Clubs phenomenal success since you took over in 1991 is really remarkable. Obviously, it has happened because of your experience combined with an outstanding team of veteran club operators. Let's talk about your team.

A. Andy Palluck is the President and Chief Operating Officer. He is the guy with the number one job. He makes sure that the money comes in faster than it goes out. Then there is Bill St. George, Vice President Operations. Bill's job is the same as Andy's but he works Friday through Monday. So, we have somebody in charge of the income machine at all times. My son Chad is Executive Vice President and he is involved in all aspects of the business. Virginia adds, Chad is a 'creative innovator' for the clubs. Rudy- Yes, for example, Chad has developed a Club Concierge for our club members. that provides access to tickets to the best shows, the best car leases, the best insurance, whatever it might be, we try to help our members get the best deals. And, Chad handles all of our pro shops, beauty salons, suntan, massage and martial arts operations as well. If Andy had to watch all of those businesses personally, he'd be a broken old man! And, our Son-In-Law, Brett Fitzgerald, is our Vice President of Public Relations and Corporate Communications and oversees the LVAC Magazine we produce for our members.

Q. Rudy, I would like

to hear about your 'Director of Fun and Frivolity.'

A. Our Director of 'Fun and Frivolity' is one of the ideas Chad came up with. We are aligned with a company whose focus is helping you operate your business so that your people enjoy working there and your members enjoy and look forward to coming to the clubs. So, we have a full-time person, Frank Butterfield, who is one of the nation's top group exercise gurus, as our 'Director of Fun and Frivolity!' He's made presentations at Club Industry and at IHRSA and is one of the most respected people in the exercise field. Group Exercise is a hugely important aspect of the business and always will be, so we have a Group Exercise Board of Directors and Frank is on that Board. We have a whole army of instructors so this Board helps us a great deal in managing that team. We've really worked hard on our group exercise programs.

Rudy- And, let's not forget Tom White, Vice President and our Chief Financial Officer. Somebody has got to take all of these efforts and turn them into income. So, Tom handles our membership operations and collections. As we all know, this business involves a lot of paperwork. Someone has got to manage the payment collections, renewals etc. We also must be sure we comply with all of the tax laws and the rules and regulations for health clubs. Tom came to us from Bally's and is one of the most experienced guys in the field. We have many other important team players, but I must be sure to mention Roy Teaton, who is in charge of hiring and supervision all employees, including the cleaning staff. Roy is also in charge of maintenance of all of the equipment, which is a hugely important job. Our Construction Chief is Matt Nelson. Matt started at Holiday Spas cleaning pools when he was just 16 years old back in the early 1970s. He is an honest guy and a mechanical genius. We've kept him real busy maintaining and rebuilding facilities as we have grown.

Q. Rudy and Virginia, when you think about 50+ years in any business, that is

more than a remarkable run. Could you share your keys to success in the club business?

A. Rudy- I think really taking an interest and keeping up with all that's new, year after year, is important. Another key is training your staff. Virginia has been involved in writing training manuals over the years. When we had the Sherman Oaks Health Club, Virginia wrote the manuals for the Jack LaLanne Clubs. Jack was not happy with how his operations were going at the time so they hired Virginia to write a manual for his clubs. So, over the years, Virginia has written manuals for Vic Tanny's, Jack LaLanne's, Holiday Spa Health Clubs and even helped Arnold Scharenegger write his book, "Weight Training For Women." A key to success is understanding your product and being able to help deliver it by training your staff.

Other key elements in Rudy and Virginia Smith's LVAC reported by IHRSA's CBI Magazine in the CBI Cover issue, August, 1999, include: (1) keep things simple; (2) keep memberships reasonable; (3) give members more than they expect; (4) equip your club lavishly; (5) train staff intensely; (6) pay special attention to the women's market; and (7) don't forget to add the sizzle!

Maybe, Rudy Smith's comments in CBI Magazine 1999 said it best, "Unlike a lot of people, I'm not successful because of my brilliance, or great foresight, or hard work. I've been successful because of my family, and my friends, and the countless people who have contributed along the way. If there's a secret to success, it's to be nice to your friends—that may help you. Oh, and pick good friends."

Q. Rudy, what are you most proud of in your career?

A. More than anything else, I've had right hand men to help me. I've always had their desk right adjacent to mine so they always knew what I was thinking and how and why. In that group you have Jack Clark, Don Wildman, Harry Schwartz, Sonny Reser, all of Health and Tennis (now Bally's) and Andy Palluck. They are all legends

and have been for the last 50 years. Clark is gone now but he was the financial wizard. Wildman was also a Vice President with Vic Tanny's. Clark, Wildman and Zurkowski were the three people that got Vic Tanny's portion of Chicago Health and Tennis Clubs off the rocks and are incredibly successful today. Roy Zurkowski was part of the old group, but he didn't work as my right hand man.

Q. So, are you saying that the amazing Donahue Wildman, the late Jack Clark and Harry Schwartz, Sonny Reser and Andy Palluck all worked at one time or the other as your right hand men?

A. That's right. For two to four years or more. I knew where they were coming from. We exchanged views, attitudes and perspectives regularly. Of course, Reser and Palluck are still in the business. Reser with Bally in Southern California and of course, Palluck is with me in Las Vegas. A quick comment on Wildman. He is a super hero! He has done 8 Ironman Triathalons over in Hawaii and he won the Masters Division, which is for the 'more mature people'. He is also a wind surfer, an outstanding skier and snowboarder!

Donahue Wildman, one of Smith's former 'right hand men' commented in the aforementioned 1999 issue of CBI Magazine, "Rudy Smith gave me my first job in the fitness industry. He probably has the highest moral standards of anyone I've ever met, and is one of the reasons I stayed in the industry." Rudy Smith continues, "So, those are the people that made my career easy and successful. Whatever we have to say, we have to thank those guys in that order for what they have done for me. Jack Clark, may his soul rest in peace, Don Wildman, Harry Schwartz, Sonny Reser and Andy Palluck. I am not successful for what I've done. I'm successful because of what my friends and family have done with me."

Q. Rudy I know you've been honored by Club Industry Magazine as a member of their Hall of Fame and by Wally Boyko's National Fitness Trade Journal with

their Lifetime Achievement Award. In Phoenix on March 7th, I will have the honor of presenting you with IHRSA's DALE DIBBLE Distinguished Service Award. Congratulations in advance on receiving the IHRSA honor Rudy! What does it mean to you to receive Award?

A. It means a lot to have done it 'our way.' I have pride in having done the things I've done and being honest to myself and my colleagues. It's just a joy to have done it 'our way', kind of like the old Frank Sinatra song. For example, the great cash cow the last 5-10 years has been personal training. We've got the best personal trainers in the city. But, they're in business for themselves. They pay us a flat fee each month for the privilege of using our facilities and being a member of our team. That way the money they make is all their money. Period. That entitles them to train only our members and that helps encourage them to build our membership. They're always an asset to the staff. We have about 40 personal trainers on staff right now.

Q. Rudy, back to IHRSA. Has IHRSA helped you improve your clubs and make greater profits?

A. I think every club in America should be a member of IHRSA and you get much, much more from the Association than just the monthly magazine, although I read CBI Magazine every month to hear what others have to say. For example, the IHRSA Trade Show is extremely important to us because we can touch and feel what we are going to buy and install in our clubs. Function and feel is the most important consideration. You must be able to get out there and use it before buying it and IHRSA gives us a tremendous opportunity to do that.

Q. Rudy, you're one of the most loved and respected guys in the business! How does it feel to be starting your second 50 years in the business?

A. It feels especially good because I still have nightmares taking me back to the old Sherman Oaks Health Club.
(See Rudy Smith Page 12)



Your Partner in Success.

EFT
Electronic Draft

25¢

PER PAYMENT

Mastercard/Visa
Electronic Debits

45¢

PER PAYMENT

"Mail-In" Payments
from Coupons

\$200

PER PAYMENT

FrontDesk[®]

INTERACTIVE SOFTWARE

The management system with **ALL** the options!

Complete Control!

- ✓ Real-time Management Software
- ✓ True Flat-Rate Billing
- ✓ Full Collection Services
- ✓ Flexible Renewal Programs



Call **BUSINESS DEVELOPMENT** Today!

1-800-233-8483

A F F I L I A T E D A C C E P T A N C E C O R P O R A T I O N

...Rudy Smith

continued from page 10

Club where I worried all the time if I would have enough money left to keep the club in business, much less to get food to feed the kids! And, I still have those nightmares. Anybody that is thinking about opening their own club better have at least 5 years experience, know all the fundamentals of business and be prepared to ride out a tough first year without pay so they don't suffer like we did!

Virginia Smith closed our 90 minute interview by sharing a funny anecdote exemplifying how life could truly be a test and well illustrates how far these two

wonderful folks have come in life and how their great sense of humor got them there. Virginia, "When we had the Sherman Oaks Health Club we were just strapped to the tune of not even having enough money for a second car. But, we lived closed enough to the club that we could walk there or ride a bike. Rudy got himself a bike to ride to work. One day when we were probably at our most financially strapped time, Rudy was riding his bike home and did not stop at a stop sign and along comes a policeman and gives Rudy a ticket for not making a full stop on his bike! We will always remember that experience!"

Rudy and Virginia

Smith have created the Las Vegas Athletic Clubs to be very much like 'fitness resorts.' The 'special thinking' at LVAC and why these clubs are so successful may be exemplified with two comments:

(1) Toward the end of our interview Rudy Smith shared a recent conversation with the legendary Bill Pearl. Bill commented to Rudy, "Rudy, I was in your club the other day and I saw something that I don't see in other clubs. You have men and women staff members walking around the club with yellow tee shirts on that stand out like a sore thumb. The front of the shirt says, 'Free Instruction' and on the back it says 'Instructor Free - Please Ask.'" Here you have a man, Bill Pearl, that many of us grew up idolizing when we were young weight lifters, telling Rudy Smith what a great idea his floor instructor's tee shirts are! My second comment about this 'Special LVAC Thinking' is:

(2) The water fountain area in the Las Vegas Athletic Clubs are even special and are designed to make the members feel good even when they are getting a drink of water! The water fountain areas are decorated with very attractive floor and wall tile and highlighted by special lighting that makes coming to the LVAC water fountain areas a "special" experience. The water fountain areas seem symbolic of an 'Oasis' and they are truly a nice touch. Beyond the fabulous club colors and décor and vast equipment lineups, (459 cardio machines, 365 selectorized weight machines and 229 free weight stations!), every single aspect of the Smith's clubs are planned to make the members and staff feel good. (Go to www.lvac.com) This attention to detail surely is not missed



LVAC "Oasis" Waterfountain

by the 60,000+ Las Vegas Athletic Club members and we applaud Rudy and Virginia Smith for their level of caring and achievements over their 50+ years in the health club business. They are setting an example and a standard that any club in the world would benefit from seeing and following.

Don't forget that IHRSA will honor Rudy Smith with the presentation of the DALE DIBBLE Distinguished Service Award in Phoenix, Arizona on Thursday, March 7, 2002, at 9:00 a.m. at the Opening Session.

(Norm Cates, Jr. is the Publisher and Editor of *The CLUB INSIDER News*. Cates, a 28-year veteran of the health, racquet and sportsclub business, was the 1st IHRSA President and a Co-founder of the Association in 1981. He was honored by IHRSA in March, 2002, with its DALE DIBBLE Distinguished Service Award and in June, 2002, as the International Fitness Journalist of the Year Award given by the Italian Fitness Federation. Cates may be reached at: clubinsidernews@mindspring.com or by phone at: (770)850-8506

Premium Performance Training Announces New Product Launch

Karen Woodard, President of Premium Performance Training (PPT), is launching five new products in 2002 to enhance the current **Power Tools for Success** product offerings with a mix of audio-tapes, books and manuals. Beginning in March, Woodard introduces 5-Weeks to Personal Training Success (manual), 5-Weeks to Operations Suc-

cess (manual), 120 Ways to Streamline your Operations (book) and Etiquette and Social Skill for your Service Staff (audio-tape) and 4 ACE approved CEC videos for personal trainers.

The 5-Weeks to Personal Training Success manual and the CEC videos will be available on March 1, 2002.

One of Karen's most

popular programs from 2001, *Etiquette and Social Skills for your Service Staff*, will be available on the web-site, as well as on audio-tape on May 1, 2002. The 5-Weeks to Operations Success manual and 120 Ways to Streamline your Operations book will be available on June 1, 2002.

Call 303 417 0653 for additional information, or visit www.karenwoodard.com.



SPRINGFIELD CORPORATION

WHOLESALE DISTRIBUTOR OF INSTITUTIONAL LINEN

Imported & Domestic Textile Products

Take the guess work out of your

**Towel Purchasing
Satisfaction Guaranteed**

**QUALITY PRODUCTS
at
COMPETITIVE PRICES**



**Commercial Products
Authorized Distributor**

CALL 1-800-241-2081

ASK FOR OUR CURRENT PRODUCT LIST

**HEALTH AND ATHLETIC CLUBS
The Supplies You Needed Yesterday!**

IHRSA

ASSOCIATE MEMBER

P. O. Box 620189 • Atlanta, GA 30362
770/729-0700 • 800/241-2081 • FAX 770/729-0995

Introducing the latest from Ground Zero Design... ...a new name.

Free Motion Fitness

Ground Zero Design—innovator and pioneer in Free Motion training is now **Free Motion Fitness**. Given the tragic events of September 11, we no longer feel it is appropriate to continue using the Ground Zero name. Free Motion Fitness will continue to develop revolutionary products that focus on training the body the way it was designed to function and perform in real life.



FREEMOTION FITNESS INC™

www.freemotionfitness.com • 877.363.8449
(formerly Ground Zero Design)

ACE Announces Fitness Trends For 2002

The American Council on Exercise (ACE), America's nonprofit fitness advocate, today announced its fitness trend predictions for 2002. Through its research, "workout watchdog" studies, and worldwide network of certified fitness professionals, ACE continues to accurately monitor America's growing interest in fitness. As 2002 begins, ACE's predictions show increased participation, a focus on motivation and the concept that physical activity is not just about looking good, but about feeling good.

- Group fitness has expanded beyond a simple cardio workout. Goal-oriented classes are putting more emphasis on motivation and less emphasis on choreography. Classes that prepare the student for hiking, triathlons and marathons are increasing and have become more like practices.

- Men attending group fitness classes have increased. Because classes are less regimented and focused on more sports related activities, men are more apt to walk away from free weights.

- Classes with hip-

hop, salsa, belly dancing and West African dance themes are not new, but that concept has evolved. The latest trend in some clubs is learning the choreographed routines from pop artists such as the Backstreet Boys, Destiny's Child and Christina Aguilera.

- Urban Rebounding becomes more and more popular. The concept is based on the idea that the body will gain strength more efficiently if it is not busy absorbing the shock of high-impact aerobics. Clubs in New York and Los Angeles offer several of these classes a week.

- Activities that best replicate what we do in real life will survive. Biking, for example, is a normal, everyday activity and spinning classes continue to be popular. Step classes, which have been around for almost a decade, tap the daily motion of climbing stairs.

- People are getting active for health and function not only appearance. Americans want to be in shape in preparation for an emergency that might require them to run several blocks or climb stairs. People are coming into

karate schools looking for ways to avoid being victimized and to be able to defend themselves in hostile situations and learn self-defense.

- People are viewing exercise as a way to treat physical and emotional disorders. Americans are turning to Yoga, spinning and time at the gym to reduce stress, build confidence, and treat back pain, diabetes, arthritis and osteoporosis.

- Many Americans have started and stopped programs without reaching their goals. Simple lifestyle changes are the key. Time, access, and accountability are the issues. A new trend toward creating very small changes, often one at a time, can work. Simple steps are achievable, and help individuals create one good habit at a time.

- Personal trainers will act as the "gate keeper" of health and fitness information for their clients. People want one trusted resource to deliver the most relevant and digestible ways to live healthier. This includes everything from the right types of exercise equipment, shoes, the latest myths and diets.

- Electronic fitness

equipment gets easier to use. The trends toward mega feedback, multiple programs, and multitudes of buttons on treadmills and elliptical trainers have decreased. Consumers want easy to follow instructions and a few programs that really work.

- Health care organizations will be proactive and advise patients to make better choices about their health. They will guide and coach their patients to take better care of themselves before a medical incident occurs.

- The mind and body connection will continue to grow and reach the largest of populations. Yoga, Pilates, stretching and strength training have merged. The total mind and body workout will include all of the best elements of each discipline in formats that work for individual lifestyles.

(The American Council on Exercise (ACE) is a nonprofit organization dedicated to promoting the benefits of physical activity and protecting consumers against unsafe and ineffective fitness products and instruction. As the nation's "workout watchdog," ACE conducts university-based re-search and testing that targets fitness products and trends. ACE sets standards for fitness professionals and is the world's largest nonprofit fitness certifying organization. For more information on ACE and its programs, call (800) 825-3636 or log onto the ACE Web site at www.acefitness.org.

CONTACT INFORMATION:
Kristie Paterson, American Council on Exercise
858-279-8227 ext. 703
kristiep@acefitness.org
www.acefitness.org

A SIMPLE FACT

The **BEST** Gyms In the Country
Are Protected
By The **BEST** Insurance



"Health Clubs are our
ONLY business."

Property, Liability, Workers Compensation
and Bonds

Call now for a brochure and application

1-800-985-2021

or visit our website at

www.clubinsurance.com
www.trainerinsurance.com

JLR
associates

www.jlrassoc.com

IS PROUD TO ANNOUNCE THE PLACEMENT OF

Sue Selckman

Reginal Program Director

Pulse Corporation

JLR
associates

HEALTH CLUB RECRUITMENT SPECIALISTS

10 Westgate Road • Weston, Massachusetts 02493

tel: 781.431.0868 • fax: 781.431.0890 • email: jr@jlrassoc.com

New! For Winter/Spring 2002!

“The most comprehensive resource book for fitness center managers and repair personnel.”

NATIONAL GYM SUPPLY

1-800-GYMPART
PARTS CATALOG & RESOURCE BOOK
WINTER/SPRING 2002

Your Number 1 Source for Replacement Parts and...

PARTS FOR SCHWINN SPINNERS IN STOCK NOW!

- ▶ **REPLACEMENT PARTS**
- ▶ **TECHNICAL SUPPORT**
- ▶ **ELECTRONIC REPAIRS**
- ▶ **TOOLS AND MANUALS**

ALL MAJOR EQUIPMENT MANUFACTURERS

PLUS NEW PRODUCTS DESIGNED TO ENRICH YOUR GYM ENVIRONMENT...ON ANY BUDGET!

- ▶ **WEIGHT ROOM SUPPLIES** –
Save money by doing it yourself!
- ▶ **PRO SHOP ITEMS** –
Resell for increased profit!
- ▶ **CARDIO ACCESSORIES** –
Enhance your members' gym experience!
- ▶ **GROUP EXERCISE ITEMS** –
For the fastest growing fitness segment!

Hundreds of new products and services!

Hard-to-find replacement parts!

New lower prices on many items!

Valuable technical tips and schematics!

Order your new catalog today!

View the new catalog online! www.gympart.com

Michael Scott Scudder On 2002 Recovery

LATEST NEWS ON THE ECONOMY SAYS "A MUCH SLOWER RECOVERY" IS EXPECTED IN 2002

What Does That Mean for Us?

In the past two weeks, Federal Reserve Chairman Alan Greenspan has thrown our financial markets a series of curve balls, when he first announced that our economy was likely to respond at a much slower rate than earlier anticipated, then a few days later came back and said that interest rates did not need to be lowered more because the economy was showing signs of responding (to Fed measures in 2001). That fueled an abrupt halt to the 3-month upturn in the Dow, Nasdaq and S&P indexes, and, accompanied by grim earnings and capital spending news from several major corporations, signaled the strong possibility that we may not be out of the woods, as far as this recession is concerned...but then again, we may! Judging by the way the stock market and securities analysts are schizophrenically reacting, the best that can be said right now is that we're on shaky ground.

So what does that mean for the health and fitness business, which some have labeled "a recession-proof" industry?

Well, I suppose in part it depends on your point of view...in part on your understanding of basic economics...and in part on your belief set around the underlying psychology of the American consumer.

We are in a type of recession that we haven't seen much of in modern times...and that's a recession caused by oversupply and excessive investment optimism - not so much by other classic fundamental factors. Now we add to that eleven interest rate cuts that have done little to stimulate the economy, mix in all-time high consumer credit card debt, confuse the issue with still-present high liquidity

in the monetary system, and top it off with rising unemployment and the prospect of substantially-reduced capital investment...and what do we have? We have UNCERTAINTY.

A pragmatic fundamentalist will tell you that uncertainty is the WORST scenario - because people tend to do NOTHING in uncertain times...they adopt a "wait and see" attitude, generally tending to spend only on necessities and to cut back on luxury purchases. If that is the case here, we in the fitness business can anticipate a continued slackening of new membership sales.

Conversely, if you believe that the above conditions will prompt people to look for lifestyle alternatives closer to home, then you'll make the case that new membership sales will continue to grow. However, that stance refutes historical perspective in our industry -- the last two recessions saw no membership growth until the recessions were over. (Writer's note: as this is being written on February 1 to meet a publication deadline, it is still too early to tell how club sales fared in January. I have only a smattering of reports in, and that is a mixed bag, too! Seems as though higher-end dues clubs did OK, not a lot of growth over January a year ago, but little drop-off. The few mid-and lower-priced clubs have reported sales down from a year ago at this time.)

Finally, basic economics says that if capital spending is substantially reduced, inventories go down, production is slowed, sales drop and ultimately, unemployment increases. THAT cannot be good for the economy - or consumers - in the short term.

OK... there's some possible views of the scenario to come - what's a combative strategy?

Clearly, OPERATING EXPENSES need to be looked

at with a microscope. You need to consider shaving costs wherever possible, particularly in superfluous payroll, cutting of classes or programs that are marginally attended or supported, and in physical-plant operating costs in general. The average club can "find" 2-to-4% that is "fluff" (meaning a potential savings of several thousand dollars a month). Take a look at your advertising and marketing expenses - are you getting the best bang for your bucks - or are you wasting money with non-targeted advertising? Do you have a marketing calendar...and are you following it? (Or are you already doing "scared marketing" only 3 weeks into the new year?)

Next, you have to consider EMPLOYEE PRODUCTIVITY...and not just in the sales area of your club - but are fitness instructors productive on every shift (should you be group training new members rather than one-to-one)? And are "slow-time" reception staff capable of taking on other club projects or duties? In "crunch times" you really can't afford mediocrity at ANY employee level. (Yes, this means that you may have to let go of that "favorite employee" who doesn't get much done but you like having them around.)

Also, it appears to me - and I am having a difficult time saying this after all these years of supporting higher membership fees in clubs - that you may have to consider "EASE OF ENTRY" measures for new members in this economic environment...meaning that you might not be able to get the Initiation Fee that you want (or need) for a while to come. (Note here that higher-end clubs will have less difficulty in this area - as they cater to more affluent clientele who are less affected by recession. It is likely that mid-price, lower-priced clubs, rural clubs, clubs in areas affected by plant layoffs - will encounter more hesitance from

the consumer when it comes to initial fees. Also note that I am NOT suggesting that you lower monthly dues...in fact, you may even be able to raise monthly fees as you temporarily lower initial costs to become a member. Re-member, what catapulted auto sales last fall - in the face of dwindling optimism - was low entry and low interest rates for new purchases...it proved that, even as the economy was tightening there WERE buyers out there!)

Finally, because it is HIGHLY LIKELY that ancillary purchases will drop (personal training, programs, miscellaneous items) - you will need to get creative with programming, concentrating on things that members and prospects can do to relieve the stresses of day-to-day coping with a terrorist-conscious society, uncertainty about jobs and an economy that is having a hard time getting out of the muck.

I hope this special bulletin helps you to strategize in a kind of cloudy atmosphere. Remember that I am also available for phone coaching...many clubs are taking advantage of that service...and I can probably guide you in better directions with just one conversation. In addition, I have a "lifestyle-matched demographics" service available to your club to help you invest your marketing dollars wisely and get the best possible return of prospects walking through your doors. This has proven to be extremely valuable to clubs that have participated in the service already.

Regards - please keep me posted on how you are doing...you can do that by emailing me at fitfocus@aol.com (all emails confidential)...and keep looking at my "web bulletin board" at www.michaelscottscudder.com

(The FITNESS FOCUS Health Club Education Tour 2001-2002 - "TAKING CON-



TROL: Driving Profits in These Uncertain Times" - next events: TH 2/7/2001 - Arlington, TX; TH 2/28/2001 - Baltimore, MD. For more info about a seminar, and to secure registration for an event near you, email or fax today!! ENROLLMENTS IN EACH SEMINAR ARE LIMITED TO 50 PERSONS.

A National Gym Supply Exclusive!

Get your **SCHWINN SPINNER** Replacement Parts Here!



Keep your Spinners in business! Contact us for all Schwinn Spinner replacement parts and repair advice. Or call for our new catalog!

1-800-GYMPART

National Gym Supply online: www.gympart.com

Your #1 Resource for Replacement Parts and more!

Make
It
Fun!

C•O•L•O•R•U•P

your weight room

Sometimes the best ideas are simple and affordable. With these new colored E-Z Lift plates, you can transform the look and feel of your entire weight room, along with all your plate-loaded equipment. All for about the cost of a few new machines. Another great way to attract and keep members. In fact, in our UK test, club members wait their turn to use our colored plates while the black and gray iron sits idle. Call or email us or your Ivanko rep for all the details.

IVANKO®
Engineered Passion

P.O. Box 1470, San Pedro, CA 90733, USA
Phone 310.514.1155 • Fax 310.514.1363
email chet@ivankobarbell.com
www.ivanko.com

“Spa Insider”

By Jennifer Lynn
Natural Resources Spa Consulting

Jennifer_Lyn@msn.com

Undoubtedly, it is a brave, new world. The numbers 9-11 have found their way to the tips of numerous tongues, breaching lips as people use this phrase to describe a landmark in business, a shift of perspective, or simply a readjustment to life as it used to be. As new marketing and business plans are set into motion, nine-eleven becomes the foundation from which business owners reevaluate the way they do business. The concept is simple; a brave, new world means new ideas and a positive shift of perspective to match. “Thinking out of the box” and “taking a risk” are phrases used to describe the manner in which decisions are made nowadays. It may at first seem illogical, that at a time of uncertainty in business, one would not fall back on the tried and true tested means for making decisions. However, it is the very nature of the shift that forces the motion of change. Staying ahead of the shift will determine the magnitude for success. Waiting around for things to return to a normalcy can be the fatal mistake. Forward thinkers that capitalize on the shift as a time to create some new excitement

will reenergize the essence of their business. To a club owner, operator or manager the idea of incorporating a spa or spa programming into their facility may seem like a more tangible concept in this new playing field.

Consumers are more discriminating now than ever before. The reality that we live in a business world where consumers look for better, faster, cheaper and with added value is necessary to contend with in order to remain profitable and have longevity in the marketplace. The exponential growth of the internet is one large reason that consumers are as demanding as they are. Access to the World Wide Web has provided accessibility to information and, thus increased consumer awareness to the determined value of a product or service. As the spa concept and programming begins to unfold, it will be necessary to conduct thorough research to develop a program that can be executed impeccably. The savvy consumer will not be fooled by a weak spa program.

Now more than ever, members are looking for convenience. Developing a spa in a club setting creates

one-stop wellness shopping. Convenience and accessibility to a desired service will enhance member and guest satisfaction and also enable the club to expand membership base. There are synergies that currently exist between the psychographics of a spa-goer and a club member. Statistics have shown that the average spa participant parallels the club member market. Factors like this help to determine the feasibility and increase the drive to incorporate a spa.

As the spa concept evolves, synergy should be created between the Fitness Program, the Spa Offerings and Wellness/Lifestyle programming. A thoughtful curriculum in the fitness and mind-body arenas will fuel interest in novel ways to achieve the highest level of wellness and quality of life programs. Effective programming will provide and promote improved lifestyle opportunities for members. As a result, marketing efforts can be synergized and maximized between the fitness, spa and wellness offerings. A well designed spa menu and lifestyle/wellness program will expose the member and guests to the club's deep commitment

to their improved quality of life. Product selection and service program offering should match the existing club concept and be targeted at the membership base.

Retailing in the spa is another means for creating convenience for the member and in turn profitability for the spa department. A successful spa retail operation could account for 20-25% of the revenue generated within the spa. Thoughtful retail merchandising efforts will help to create the additional stream of revenue. The purchase and sales transaction should be positioned to be convenient and unobtrusive.

Incorporating a new spa or enhancing an existing spa program into the club setting may have been discussed loosely in the past, but as annual business plans are executed owners and operators should strongly consider the possibilities. Now is the opportune time to seize the moment for fresh, new ideas. The idea of change can be threatening even intimidating, but in order to remain competitive in a brave, new world it is imperative to embrace the reality. Strategically planning the im-



Jennifer Lynn

plementation and delivery of a spa program in your club setting will enable a strong position and security to traverse through this time of uncertainty.

The Spa Insider will be an ongoing column to assist in the necessary steps to conceptualize, design and implement a successful plan to incorporate a spa program into your facility. Stay tuned for insightful articles on Concept Development, Programming Opportunities, Design and Development, Marketing Strategies and Retailing Opportunities.

CLUB INSIDER News Contributing Author Team

The 2001 CLUB INSIDER News 2001 Contributing Author Team is listed below. Our thanks to all of our authors for sharing their expertise and taking the time to write for the CLUB INSIDER News.

•KAREN D. WOODARD - President - Premium Performance Training - (303) 417-0653

•DR. GERRY FAUST - Founder and President - Faust Management Corp. - (858) 536-7970

•RAY GORDON - President - Sales Makers - (800) 428-3334

•EDDIE TOCK - Vice President - Sales Makers - (800) 428-3334

•MICHAEL SCOTT SCUDDER - President - FITNESS FOCUS - (505) 751-4236

•CASEY CONRAD - Communications Consultants - (800) 725-6147

•RICK CARO - Chairman, Spectrum Clubs Inc. and President, Management Vision, Inc. - (212) 987-4300

•BONNIE PATRICK

MATTALIAN - Fitness Company - (732) 548-0970, Ext. 111

•JIM EVANS - President & General Manager - Peninsula Athletic Club - (619) 224-4644

•MIKE CHAET - Ph. D. President - Club Marketing & Management Systems - (406) 449-5559

•SANDY COFFMAN - President - Programming For Profit - (941) 795-7887

•NANCY FRIEDMAN - President - Telephone Doctor - (314) 291-1012

•JOE MOORE - Pres-

ident - Moore's Fitness Centers - (937) 435-0072

•KIM DONOVAN - Brick Bodies Director of Marketing and Advertising - (410) 252-8058

•COLIN MILNER - VP Sales/Marketing - Idea Health & Fitness Association - (800) 999-4332

•PAT NECERATO - President - www.successercise.com

•PAUL GOLDNER - Sales & Performance Group (914) 232-4682.

•CARRIE MORROW -

Legal/Fitness Consultant - carriemorrow@aol.com

•MIKE CONNOR - President - Optimal Fitness - (413) 567-7300

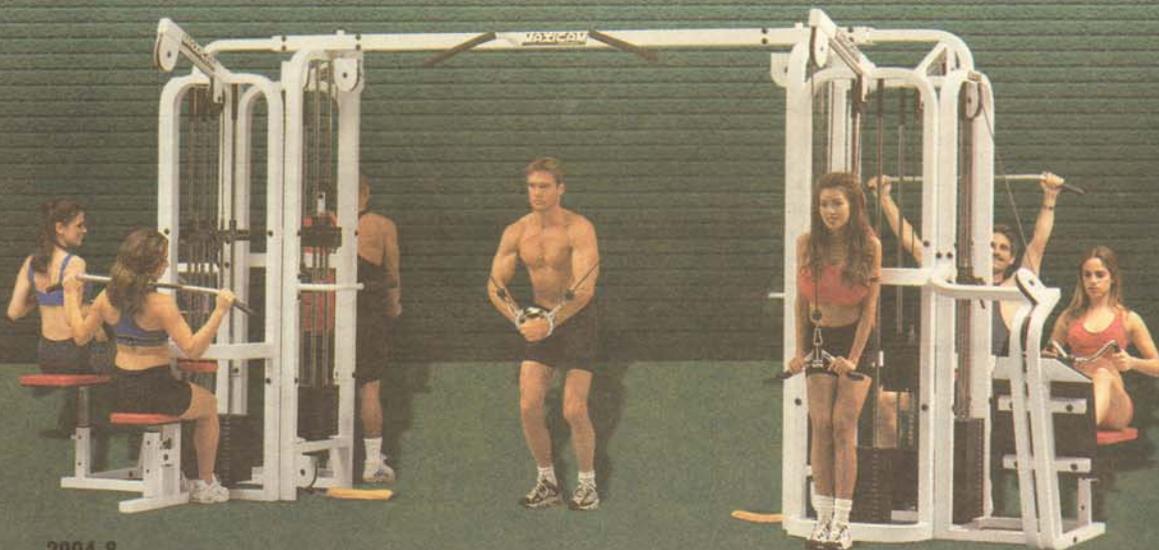
•TOM LINCIR - President - Ivanko Barbell Company - (310) 514-1155

•JOHN BROWN - President - Professional club management - (913) 557-9018

•ARMAN ECKELBARGER - President - Company Wellness Plans, Inc. - (727) 372-3882

MAXICAM

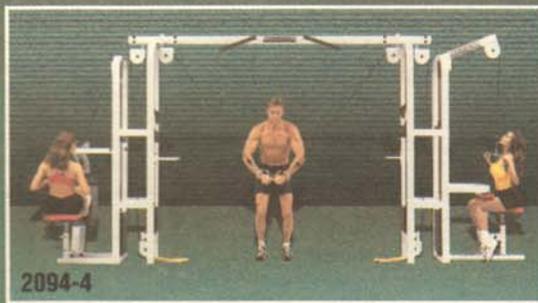
Crossover / Jungle Gyms



2094-8



2094-6



2094-4

Available in 10 different variations

Muscle Dynamics

20100 Hamilton Ave., Torrance, CA 90502
310/323-9055 • 800/544-2944 • FAX 310/323-7608
www.muscledynamics.com

The Milner Report

News and Views on Aging

Communicating the message of physical activity to older adults.

In the last issue of the Milner Report we reviewed the initial findings of The American Association of Retired People (AARP) and the Robert Wood Johnson Foundation study that set out to better understand those in the older demographic who are active. In this issue we take a closer look at how this study can help us communicate the message of physical activity to older adults.

Changing the message

The key to penetrating the hearts and minds of older adults is to speak their language, as AARP discovered early in its research. The association tested a variety of words to assess their effectiveness in communicating the message of physical activity to the largest market segment, planners and tryers (see sidebar). The feedback they received was illuminating.

Active: Very positive response

To participants, active meant engaged with life,

family and community. They did not equate active with exercise. For people at the older end of the age spectrum, active meant going to church or playing bingo. They also did not connect the word with exercise.

Exercise: Very negative response

Study participants saw exercise as too hard and difficult. "Exercise is not a word that you would want to use in your message," says Katrinka Sloan, director, Life Resource, for AARP.

Physically active: Very positive reaction

The participants liked the term *physically active*, because it implied they could do a wide range of activities to be physically active, rather than just going for a walk. They intuitively understood the health benefits.

Fit, being fit, staying fit, and being in shape: very neutral response

"These words are clearly an absolute state," says Sloan. "Some [participants] liked this because it did not

sound as hard as exercise. It's something you could use in your marketing, but is not necessarily a winner like *active*. As we heard time and time again, words are extremely important as we think about developing messages."

AARP also tested words like *moderate* and *vigorous* to see if participants understood them in relation to exercise. Vigorous meant nothing to people, because they could not figure out what it meant in terms of physical activity. But they understood moderate, especially when it equated a brisk walk. People probably had some sense that moderate related to pacing and pumping a little harder.

The association also tested the phrase *most days of the week* versus *almost all days of the week*. Research participants showed much more comfort with the phrase, most days of the week.

Five days also proved an important threshold for study participants. If people were told the message exercise five days of the week, they protested and said five days was way too much. But they responded positively to *more than four days* and *four or more days*.

Finding effective approaches

AARP is determined to learn more about what planners and tryers think. The association plans to take the study findings and design interventions specifically for these two groups.

To achieve this goal, AARP will test five messages this year:

1) Choose self efficacy - something like a *Just believe it, you can do it* campaign, which would particularly target the issues of being stretched thin between marriage, jobs, kids and other things;

2) Remind people of their excuses for not exercising, injecting a little humor into these reasons;

3) Show the impact of exercise: exercise versus no exercise;

4) Exercise for the ones you love;

5) Fight the effects of aging by doing physical activity.

"There also appears to be some barriers to overcome in terms of understanding the amount of exercise required under the ACSM guidelines," says Katrinka Sloan. "[The participants'] level of skepticism is high, as scientists' recommendations keep changing, so why believe it."

Participants proved ambivalent about exercise, as they saw it as hard to do. They knew they should exercise, but they didn't know how to fit it into their busy lives. They also seemed detached from finding a solution.

The research participants also did not understand what strength training was, how to get started or even what to do. Fueled by fear of injury, they had built a prevalent barrier to strength training. Another challenge was their misperception that strength training was for buff young people in spandex. This disbelief and skepticism are important issues to recognize and try to overcome in your communications.

Summary

AARP's valuable research reinforces the need to do your homework before setting out on a communications campaign aimed at the mature market. Learn how to speak the language of older adults. Encourage them to be physically active four or more days per week at moderate intensity. And focus on the planners and tryers, they hold the key to the industry's growth.



Colin Milner

(Colin Milner is the CEO of the International Council on Active Aging and the former President of IDEA Health and Fitness Association, and Vice President of sales and marketing for Keiser Corporation. Over the past 20 years Milner has been on all sides of the industry including club management, consulting, publishing and equipment manufacturing. He has authored over 80 industry articles and has been interviewed extensively in leading publications such as, *The New York Times*, *Los Angeles Times* and *The Wall Street Journal*. If you wish to contact Colin Milner you can call him toll free at 866-335-9777 or e-mail him at colinmilner@icaa.cc.)

The Planners and Tryers Represent the Greatest Potential for Growth

Planners. This segment was further down the behavior spectrum. They had good intentions, but they thought physical activity was too hard. They couldn't figure out how to fit exercise into their lives, how to get started or what to do. Planners considered habitual exercisers "mean and self-centered," due to the time the exercisers spent on themselves.

Tryers. This group had built exercise into a *part* of their lives, but couldn't figure out how to reach the minimal ACSM guidelines. In fact, this group didn't believe the guidelines—a major hurdle. Tryers didn't see how they could possibly do more exercise, and they looked to others to see how to fit exercise into their schedules. Tryers relied on information to help them decide what to do, and to figure out what difference following the ACSM guidelines would make in their daily lives.

Five recommendations for communicating effectively with the aging market

1. Do your research and know your market.
2. Speak their language, not yours.
3. Educate the market.
4. Create a social support component to your program.
5. Show them step-by-step how to fit exercise into their schedules, what to do, how to do it and then reassure them that it's safe and beneficial.

**For the price of a weekly cup of coffee,
you can access information, education,
resources and tools to succeed with
the aging market.**



**Call us today to
find out how**

International
Council on
Active Aging

a division of
abercrombie
consulting
services inc.



Changing the Way We Age™

507-522 Moberly Road
Vancouver BC V5Z 4G4

1.866.335.9777

Tel: 604.734.4466

Fax: 604.708.4464

www.icaa.cc

Give your team the Club Performance advantage!



Gerry Faust



Brian Tracy



Tony Alessandra



Rick Barrera



Bob Chaiken



Brenda Abdilla



Janet Lossick



Sandy Coffman



Rick Caro

Training for every member of your team

The latest training for frontline employees, managers and owners. Available 24/7 at the club or via the Internet at home. World class business experts present the latest ideas in business, management, member service, sales, motivation and personal development. Industry experts share their secrets, hard hitting practical ideas to improve your results.

Marketing Materials

Royalty free stock photography, proven promotional ideas, materials, marketing strategies and on-line design service.

The latest ideas

A clearing house for great ideas, CPN captures the best ideas with chat and share software and even on streaming video. A rich resource keeping you and your team on top of their game and ahead of the competition.

Training Management

Choose the courses for each learning track. Set goals for completion for your team. The Learning Management System will keep people on track, ensure they know material before moving on and give you real time data on how each department, each person is progressing. You can even download lesson plans and easy to use reinforcements sessions for staff meetings when you want special emphasis or application.

Yes, we do have special courses to help your managers improve staff performance and your profits with Club Performance Network.

We are ready to install your system now!

You know it's critical to give your employees the tools and training they need to succeed. Club Performance Network can provide stand alone kiosks or Internet connection to the best trainers and ideas. Separate learning tracks for owners, managers, supervisors, sales staff and various frontline employees (i.e. childcare, front desk). We can even help you develop your own courses.

Find out why over 100 clubs joined the Club Performance Network last month.

FAUST
Management Corporation



"Together, the Most Powerful

Tool in the Club Industry"

Visit Our New "Guest Tour" Area at
www.clubperformance.net, or call 1-866-850-Club
(2582)

“Architect’s Corner”

Innovation In Health Club Design

By Rudy Fabiano, AIA

Innovation in health club development has been sporadic over our relatively short history. Certainly, there have been wonderful and important developments in equipment and truly innovative development in programming. Technology innovation has made a definite impact on clubs. Cardio entertainment companies have really impacted how a member experiences exercise. EFT and other banking technology have been revolutionary in fueling the industry's growth. The club as a concept and the buildings that house the services have been slow in coming. There are many factors as to why. The building usually is the most expensive part of any development, so finances play a great part. The unwillingness to fix something that, most owners consider not broken is another reason. Regardless, we're going to need to consider the future. As the competition becomes more sophisticated and developers understand the enormous business potential in expanding the traditional market base, I think we're going to see a real evolution to the health club itself.

As architects and interior designers specializing in health clubs, we have made it a point to focus our efforts on how innovation can help our clients' expand their market base, and more effectively service their members. Given the fact that only about 10% of the population works out, a priority is given to expanding our clients traditional market base. So how do we get people to join that normally wouldn't? In the past, we have concentrated on bringing an entertainment experience to health clubs as a means to make exercise fun and to hopefully entice more people to come in. DJ booths, funky lounge areas, palm trees, bright and colorful aesthetics all brought fun into fitness. These newly updated and fun facilities have been a great success. But how do we get more than skin deep? Get

beyond just the look as a sales tool? Is there a way to plan our facilities to help get more members and keep the ones we have longer?

Information and Education

One of the areas we focus on is providing means to inform and educate in our facilities. A lot of club web sites already provide great educational information. You can find anything ranging from weight loss to stretching techniques to your horoscope. To go a step forward, we are encouraging our clients to provide this information in their club. By providing libraries housing books, videos, dvds etc. on a wide range of health and fitness issues, it is our hope that clubs can further establish themselves as the members' resource for wellness and health information. This can only strengthen the bond between club and member, while providing a needed service. The libraries designed to date are modest but have been very well received. They should be placed in the lounge area close to the front desk, ideally as an extension of the pro shop or juice bar. These items can be purchased, rented or borrowed depending on your personal philosophy.



We are also interested on how to expand other more traditional information sources, such as televisions, stock tickers, reader board,

electronic schedule information boards and web site access. Televisions for example, were traditionally reserved only in cardiovascular areas. We have been examining what happens when they are placed throughout the workout floor. For instance, placing a row of built in screens in the free weight area has helped soften the feel of these areas, while providing information and entertainment in a long, neglected gym space. Large screen TV's in multi-purpose rooms are a great educational tool. This gives an individual or a small group the ability to borrow or rent a tai chi tape or an instructional golfing tape for off peak hour usage.

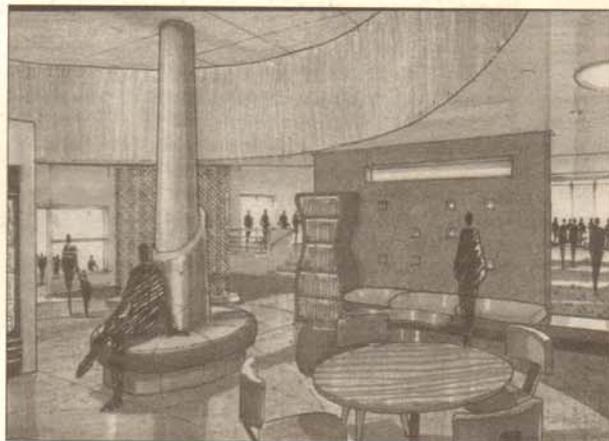
Making Transitions Easier.

A lot of gyms I see work really hard at having strong borders, almost treating each use as a separate country. Free weights are strictly delineated and separated from stretching areas. We also have the much beaten track directly from the front door to the locker room. Social areas are in the front entrance, cardio is in the middle and free weights are in the far corner. I think this separation increases intimidation by making transition abrupt and uneasy. Also,

learning-by-seeing becomes more difficult. Members learn about the different areas of the club by seeing and feeling them out first. It's scary

crossing that line between circuit and free weight for the first time. To help ease crossing the borders, we like to blur them. Layering and overlapping our spaces so the transition is not really noticeable. Moving effortlessly into the dumbbell area without realizing it! Understandably, different uses require different spaces but by layering I'm advocating blurring the line, not

open and inviting. Like a friendly porch on a big old house. We encourage our clients to move away from the boxy look to make our building feel like other types of places. We usually feel comfortable entering public buildings such as town halls, libraries, theaters, etc. without being invited. By blurring the entry point, people can enter effortlessly without really thinking about it.



eliminating it. Merge the social area and the workout floor by integrating the walkways through the workout floor as a path through the park. In a recent facility, we incorporated a pathway that wound through the gym and through the workout area. Where the free weights, the circuit and light dumbbell areas met, we placed a 8' planter complete with built in benches and plants and a large skylight overhead. Our hope is that this will lighten the workout experience a bit, create a place on the floor to meet and interact and soften the transition between the areas. There are many opportunities within the layout to make use of the unexpected "bench in the park."

The concept of layering can and should be applied to the exterior facades. Before someone even enters the building, they are going to make judgments and be effected by how everything is presented. Remember we're going after people that would rather not come to a gym. I like to blur the line between in and out, making the building feel

The 'Experience' Buzz Word

If there is one buzz word that will describe the evolution of the health club for the next five years, it is experience. Our buildings will need to provide the appropriate and diverse experiences to attract a mass idle market. Many areas of a health club are ripe to explore, affordable to implement and essential to this industry's growth. The examples above are only a modest evolution as we try to contemplate what the club of the future will ultimately be.

(Rudy Fabiano is President and Design Director for Fabiano Designs International, Member of American Institute of Architects, Licensed Architect in 8 States. Rudy Fabiano is a leading architect in the design of health, racquet and sports clubs. Please feel free to contact him at: @www.fabianodesigns.com or 973-746-5100.)

...Casey Conrad

continued from page 6

Conrad: As I was traveling in my consulting business I would be out on the road 20 to 23 days a month. I did that for 8 years. I said to myself, "You've got to get out of this traveling. So, what am I going to do? So, I made the decision to open in New England my own chain of women only smaller fitness type facilities that had a weight loss component. The reason I wanted to do that was that although I have no weight problem, I have lots of friends that have a weight problem. But, more importantly, I saw the gap. I saw clubs struggle with trying to put in a weight loss product and fail. I looked at the 'State of the Industry' report by John McCarthy that said 87% of people who join a health club cite weight loss or weight maintenance as their primary reason for joining. Fitness centers weren't offering weight loss solutions and weight loss centers weren't offering fitness. Why not put the two together?"

Club Insider: That is some good logical thinking.

Conrad: Logical but amazingly enough no one had done it yet. So, I knew that I wanted to create something very different. I loved the environment of the ladies only fitness centers I worked at in Washington, D.C. There is a bond with your members in a women's only center that you don't get in a co-ed fitness facility. I, knew, therefore, that I wanted to focus on a women's only center. That's really how the thought process for HEALTHY INSPIRATIONS came about.

Club Insider: Casey, I think you mentioned to me you had worked on researching this new business for 3 years before launching it. Is that right?

Casey: Yes, I worked on the business plan for about 3 years. But, most of my time for the last year was spent looking for the weight loss component. I spent a great deal of time looking at weight loss operations and considering them for my new business. While looking at the weight loss industry I found a number of programs that had failed so I began to examine why. I

asked, "What about those that were successful. What about those that weren't successful?" I discovered that those that were successful focused exclusively on weight loss. The weight loss was sold as a separate membership that was self-contained. As a result, they were comfortable for the obese person because they catered to them. But, they were not reality-based. They relied on pre-packaged foods, which is unrealistic for long-term success. And, they didn't mandate exercise. They might say, 'Go walk,' but they didn't have fitness under their roof.

Next, I started to look at in club programs and why most of them had failed. What I discovered was that most in-club programs didn't allow for an easy duplication? In fact, they usually relied on one person to run, typically a nutritionist or dietitian. The result was that clubs became dependent on that one person, which is always risky for any business operator. Those programs that didn't rely on a person were premised on the fact that if you put a product on the counter top members would buy it. Certainly some product will move but it wasn't what club operators were promised. Worst of all, none of the in-club programs had turn-key systems, something that I live by.

So, I started to grid out the different components. What was good about a free standing weight loss center and what was bad about it? What was good about an in club weight loss product, what was bad about it. I started to figure out what I wanted and what I didn't want. Norm, there wasn't anything out there to fill those criteria.

After all that research, I actually approached Weight Watchers because I finally said to myself, 'You know what? I can't find anything out there. So, why not bring in something that's already relatively proven. One of my clients in Ohio had actually successfully partnered with Weight Watchers. But, the Weight Watchers in this area didn't want anything to do with me, so it put me back to square one and I started to look into other options again.

Club Insider: Casey,

what are the primary reasons that you've decided to get in this weight loss business to begin with and why should other club operators consider entering the field?

Casey: Norm, there are four primary reasons: 1) provide your members with what they want. (Remember that 87% state that weight loss or weight loss maintenance is the reason they join a health club); 2) revenue builder; 3) attract new clientele, and; 4) let's make a difference in people's lives.

Club Insider: Casey, when you mention "attract new clientele," I can't help but recall a statistic you mentioned to me at a recent show. Specifically, in the two HEALTHY INSPIRATIONS centers you personally own in Rhode Island, only 3 out of 500 members have ever been a member of a traditional health club before. That's incredible!

Conrad: That is correct. And it is that statistic that reinforces to me that, we are tapping into that vast 92% of the population that we can't seem to get to join a health club in America!

Club Insider: Casey, from start to finish, how long does it take to get a HEALTHY INSPIRATIONS Center open, once someone has made the decision to bring it to their club?

Casey: Realistically, you have to say it will take 3 months to get it open and up and running. But, I have one licensee that got up and running in just 6 weeks! But, he was an exception. He had owned three women only fitness facilities and he wasn't making any money. He wanted a weight loss solution. He saw my ad in your CLUB INSIDER News and called, got the info pack, flew to our corporate offices 10 days later with his wife and he signed up before he left. He was here for training 4 weeks later and he was open the following week. And, he is doing amazing numbers! But, realistically you should plan on 3 months.

Club Insider: How long should one figure it will take before a HEALTHY INSPIRATIONS Center will become profitable.

Casey: My Westerly Center was at break-even in 35

days, but we opened in January! My Wakefield Center took me 6 months because I opened in the dead of Summer and only invested \$4,000 in advertising over 6 months. Our newest licensee only lost \$3500 in the first 30 days. He will have his entire business paid for in 5 to 6 months! What business model is there out there that can do that? Of course, not everyone will be that strong.

Club Insider: What are some realistic projections as to Net Profit income expectations for a HEALTHY INSPIRATIONS center?

Conrad: As far as realistic income figures, I would say an *average* licensee if netting around \$10,000 per month after all expenses. But, someone like Taso Kiriakes in Ormond Beach, FL, who has strong referrals from years in the business, is netting around \$30,000 per month! He's been pulling in between \$45,000 to \$50,000 per month in cash a month. Just from HEALTHY INSPIRATIONS, not his Bodez By Taso Club!

Club Insider: Well Casey, you're doing a lot of people a big favor with this business! Casey, can you estimate your start-up cost?

Conrad: I can do more than estimate it. We've got it right down to the paper clips! But, it can vary depending upon how much they spend in build out and things like furniture quality. If you want to just set up a basic facility it will cost around \$60,000 to get started in a stand-alone facility. That includes the \$10,000 license fee payable to HEALTHY INSPIRATIONS, Inc. However, if a club owner has space to convert, the cost to get started is a lot less!

Club Insider: How many square feet does one need to start a facility?

Conrad: We recommend at least 2,100 square feet. That is perfect! My Westerly Center is 1,700 square feet and we're a little tight there. If you are going to be inside a club that will be utilizing their existing exercise facilities you only need about 1,000 square feet. I do have one licensee that squeezed into a 450 square-foot space, but we suggest 1,000 square feet at



Casey Conrad

minimum inside a club.

Club Insider: Casey, outline the to HEALTHY INSPIRATIONS marketing program for me?

Conrad: We now provide licensees with a full marketing program including materials that cover external marketing—newspaper, radio, that type of thing. We give them their ads all prepackaged and ready to go. We share all of my internal promotions with those licensees that would like additional ideas. So, if we are doing something special we give them access to those things. And, we do it at cost. So, if it cost us to print a brochure for 12 cents, they get it for that price and we leave a space for them to personalize it. Of course, we provide them with press releases that go out to the local community. Because it is a license and not a franchise, I can't mandate what they do. Everybody is looking for assistance and let me tell you, our brochures just fly out of here because they just love the fact that it is already done for them!

Club Insider: Casey, tell me about your sales system?

Casey: Norm, you can just imagine how our sales system is. Every single thing is completely documented and turn-key. They have scripts for every single aspect of the presentation; the discussion about the client's body composition; qualifying; the program presentation and; of course, the membership presentation and close. It's all turn-key. Paul DiJulio whose story was told in our ad in last month's

(See Casey Conrad Page 25)

Virginia Couple is Cruisin' in the Club Business

Had you asked Brian and Carmen Griffith 2 years ago if they ever thought they would be in the health club and weight loss business, they would have simultaneously given you a resounding, "No." However, in just 2 years, the Griffiths have opened 5 fitness and/or weight loss centers. Some of these were done in partnership with others and some were independent. Any which way you put it, opening 5 different facilities in just 24 months is amazing.

Brian and Carmen don't have a background that would necessarily lead them to the health club and weight loss business. Brian, an entrepreneur, has been in marketing and management for the past 20 years. Carmen is a Registered Nurse. The one tie they did have to the health club business were their good friends Ken and Sharree Ryder from Manassas, VA, owners of the Bull Run Athletic Club. The Griffiths and the Ryders jointly opened a small, women only center in Warrenton, VA. It became an

overnight success with 500 members in less than 1,500 square feet.

In September, 2000, the Ryders installed the HEALTHY INSPIRATIONS Weight Loss & Lifestyle program into their Bull Run location. Upon hearing about the program the Griffiths knew it would be a "no brainer" to put it into the Warrenton, Contours. "Really," notes Brian, "the two are a perfect match. We had 500 female members who were all screaming for a weight loss plan to go with their exercise routine. And, if that wasn't 'perfect' enough, Carmen had worked for a Physicians Weight Loss Center several years back. So, we installed HEALTHY INSPIRATIONS in October, 2000 and it was an instant success."

With Warrenton such a great success, the Griffiths then decided to open another center on their own in Centreville, Virginia. This, however, would be a stand-alone HEALTHY INSPIRATIONS facility. Notes Brian, "We opened in July 2001 and began to break even in the 5th month, not

something most businesses can boast. Then, in the 6th month, it outsold our other location!"

With two successful HEALTHY INSPIRATIONS in place, the Griffiths opened their third facility in December, 2001 by partnering with Dominion Health and Fitness Center in Front Royal, Virginia. According to Brian that club has 1000 members to draw from, which allowed them to get off to a great start, doing just a few thousand dollars less in gross sales their first month than both the other centers.

What does the future hold for the Griffiths and the fitness and weight loss industry? According to them, "With the management in place overseeing a system that is turn-key, opening additional centers becomes easier each time. If all goes



Photo courtesy of Mark Mitchell/No. VA Daily

according to plan, we'll have two more HEALTHY INSPIRATIONS open before the end of 2002."

HEALTHY INSPIRATIONS is a growing licensed weight loss program founded by industry consultant, Casey Conrad. Licenses are available to existing clubs wishing to add a profit center and provide their members with real, long-term solutions to weight loss. For an information packet call 1-800-725-6147 today.

...Casey Conrad

continued from Page 24

CLUB INSIDER News ad said, "I left here feeling that someone had just gift wrapped a business for me!"

Club Insider: Casey, what is your short-term vision for 5 years out?

Casey: I believe that by the end of 2002, we will be between 50 to 75 locations. I think that will be determined by the economy. But, we've not seen any slowdown due to the economy. We are at 23 now and I expect we will be at 30 in the next 30 days because we've got 6 or 7 prospects in the pipeline. As far as numbers of centers are concerned, I honestly don't care about quantity. What I care about is that I'm making this program better every day. Every single day I'm talking with my center operators. I'm in the centers. I'm getting feedback from my licensees. I am finding out what tools they need. What systems do we have to put in place to make this more turn-key. Rick (my fiancée and VP of Licensing) and I have talked about 250 or more centers. My goal is to make this to be coveted as *THE long term weight loss solution all over the planet!* I don't care if I have only 50 clubs Norm, if they are 50 of the most successful clubs

where people are keeping weight off long term then I'm going to be an extremely happy person. Do I think we will have 250 locations someday? Yeah, I do, because this thing is going to take off! But, my vision is and I am adamant about this, I don't want this to be another damn weight loss program that someone uses and fails on. What I want is success. That's why I'm working with Jean Gilligan. Jean is the Manager of my Westerly center. After losing 60 pounds in 4 months Jean had fallen off the program for a little while. She actually had a setback. But, it has been her falling off the plan that has helped us take the plan to another level and develop new systems and procedures. So, that's what most important to me—making this a truly exceptional program. Don't get me wrong, I would love to have 250 locations but more importantly I want quality over quantity!

Club Insider: Casey, let's go back to the \$10,000 licensing fee. What happens after that?

Conrad: After that fee there is a flat monthly support fee of \$495. It's flat. We don't take a percentage Norm. The brochures cost me 11.8 cents to print. I sell them for .12 cents each plus shipping and handling. I could

have taken cuts from any of my suppliers, but I said no to that. I've told all our vendors to pass on any discounts to my licensees. I don't want to nickel and dime my licensees to death. If I've got 50 or more licensees paying me \$495 per month, I am an extremely happy person!

Club Insider: Gotta ask this question Casey. Have you been approached for an IPO yet?

Conrad: Yes.

Club Insider: What year would you project that to happen?

Conrad: Its not going to happen. Norm, you know why? We don't have to. It is self-funding. I am a completely debt free company. The only debt I have is the mortgage on this building! We're pumping money back in right now, but we are remaining debt free. We don't want to give control to someone else that knows nothing about our company and its mission.

Club Insider: How many employees does a typical HEALTHY INSPIRATIONS take for start up?

Conrad: You really need to with two full-time and two part time. But, Taso, who is just racking up the numbers, he has two full time and seven part time employees!

Club Insider: Say I walk into a HEALTHY INSPI-

RATIONS take Center and I want to lose 40 pounds. How much will I have to pay?

Conrad: You will have to pay \$99 per month. What will that get you? It will get you unlimited exercise in the facility, 3 one-on-one coaching sessions with a lifestyle consultant and its going to get you one relaxation session in the Shiatsu massage chair. Plus, it gets you your specific eating plan, all your recipes, cooking tips, educational materials, access to the audio library during your weight loss phase. After you've lost your weight and are in HEALTHY BALANCE, your dues drop to \$79 per month for 2 months. Then, you enter HEALTHY LIFESTYLE and your dues drop again to \$59 per month. But, here is where more marketing comes in. In our stand-alone facilities Norm, if you refer someone to our program that bought, I reduce your HEALTHY LIFESTYLE dues by \$10 per month permanently. I have some people that now pay nothing. My mission and goal is to get every member down to \$19 and \$29 per month. If they don't get there, they get cocky and fall off! My goal is that they be in that facility for a *minimum* of 12 months so that we can insure that they don't do the 'Oprah!'

Club Insider: Casey,

if you were to dream up a business, could you dream up anything better than HEALTHY INSPIRATIONS?

Conrad: (Laughing.)

Rick and I talk about this a lot. If you listen to these morning show ads that offer a 'magic pill.' They say 'When diet and exercise is not enough, try this magic pill. If you're depressed, take this magic pill. Oh, by the way, side effects may include: dizziness, nausea, depression, etc.'" It blows our mind! The bottom line with HEALTHY INSPIRATIONS is that we are changing people's lives. But, we're doing it in a way that gets them to appreciate the benefits and privileges of a healthy lifestyle. What our customers tell us Norm when they're on our plan for the first 30 days is 'My god!' I've never gone 30 days without junk food! I've never felt this good before! I love what I do because I feel I can go to sleep every single night and know that I am making a difference in the world!"

Club Insider: Casey, that is a wonderful thing to be able to say.

(Norm Cates, Jr. is the Publisher of The **CLUB INSIDER** News and a 28-year veteran of the health, racquet and sportsclub industry. Cates was the 1st President of IHRSA and a Co-founder of the Association in 1981.)

IHRSA's Capitol Report

Capitol Report Reprinted Courtesy of IHRSA

HELP MAKE THE DEATH TAX REPEAL PERMANENT

During his State of the Union address, President Bush lauded Congress's repeal of the "death" tax and urged, "For the sake of long-term growth, and to help Americans plan for the future, let's make these tax cuts permanent." You can help make this happen.

In May 2001, legislation passed to gradually phase out the death (aka "estate") tax over 10 years. Unfortunately, due to Senate procedural issues, the repeal is only temporary. A proposed amendment would correct that Problem and make the repeal permanent.

Senators Jon Kyl (R-AZ) and Phil Gramm (R-TX) will offer a death tax permanency amendment to the Daschle economic stimulus bill that is currently being debated on the Senate floor. Please help by contacting your two U.S. Senators and urging them to support this measure.

Just visit www.ihrsa.org/publicpolicy/crusade.html and follow the prompts to send a pre-written e-mail message (or print a letter to mail) to your U.S. Senators. Contact gr@ihrsa.org or (800) 228-4772 ext. 117 with any questions.

IHRSA MEMBER HELPS DEFEAT Y PROPOSAL

The YMCA of Greater Cincinnati has abandoned efforts to build a \$5 million facility in Loveland, Ohio.

The plan had city officials' support but encountered fundraising problems and persistent protests from residents.

The facility would have charged annual fees of about \$700 per family.

Congratulations to IHRSA member Joe Moore, owner of Moore's Fitness, who was instrumental in educating the community about the true cost of such a facility!

STATE LEGISLATIVE ACTIVITY

INDIANA: HB 1195 would eliminate certain tax exemptions for income and Property of an otherwise exempt organization that is earned or used in a trade or business that is unrelated to the organization's exempt purpose. It would also classify the reckless failure of an assessing official to assess exempt privately owned property as a Class A misdemeanor.

MISSOURI: SB 928 would exempt from state sales taxes certain fees and dues paid to health and fitness centers. (IHRSA member Jay D'Amato of Gold's Gym in Columbia testified yesterday at a hearing on this bill.)

NEW HAMPSHIRE: HB 1438 would require health clubs to register with (and provide detailed club, equipment, and membership information to) the state.

PENNSYLVANIA: SB 1262 would require health clubs and public swimming pools to have at least one AED on site.

INDIANA Y NOT A TEAM PLAYER

The YMCA of Southwestern Indiana has refused to join the Tri-State Athletic Club (TSAC) in Evansville in a joint, independent study to determine whether building a \$7 million YMCA fitness facility on the East Side is a wise move.

"We've tried every which way to reason with the Y, but we're just getting the cold shoulder," said Tri-State owner Bill Butterfield. "They intend to build, regardless."

A study TSAC commissioned concludes the new Y facility would damage the area's taxpaying clubs and threaten the city's tax base. The study concluded that only a set number of adults in Evansville can afford a fitness membership at market price, so TSAC offered to split the costs with the YMCA to complete a

second, independent study to pin down the size of the adult fitness market on the East Side. The offer was rebuffed.

"The facility they propose will draw customers from a finite base — those adults who can afford to pay for fitness services. If they open the doors on the facility they propose, every taxpaying club in the area will lose customers," Butterfield said.

Several weeks ago, TSAC proposed three compromises to the Y. First, the Club urged the YMCA to fulfill a completely charitable mission and build in an underserved, less affluent area. A second option was for the Y to partner with TSAC in a cooperative venture, a model that has worked well in other parts of the country. Third, instead of permanently removing valuable real estate from the tax rolls and creating a glut of unnecessary fitness capacity, buy TSAC. TSAC was willing to sell for \$4.1 million, but the YMCA responded with a counter-offer in the neighborhood of \$2.25 million, a proposal below TSAC's mortgage balance and less than 50% of appraised value. Butterfield estimated TSAC has a total annual tax bill over \$400,000, and provides Evansville with 110 jobs. He is disappointed by the Y's refusal to deal with facts and reasonable options.

"We're following this closely," said Helen Durkin, IHRSA's Director of Public Policy. "The question is, do Indiana taxpayers want to subsidize health club memberships for affluent adults? The proposal as it stands in no way meets the acid test of being a real charity."

Butterfield wants the Y to abandon its plan to open a business, and focus instead on real charity. "If they want to build a new Y, giving to the truly needy should be the facility's major purpose, not a quaint sideline. Their proposed health club expands the definition of a charity beyond all recognition."

OHIO CLUB OPERATOR ASKS FOR HEALTHY LIFESTYLE INCENTIVE

IHRSA member Joe Moore testified yesterday before the Ohio House of Representatives' Insurance Committee in favor of House Bill 361. The measure would give tax credits to those who purchase health club memberships!

The current version of House Bill 361 would allow a tax credit equal to 50% of the cost of a health club membership, up to \$1,000 per year, beginning this month. IHRSA will send a legislative alert to Ohio clubs soon with information on how to help pass this bill.

Moore, President of Moore's Fitness testified along lobbyist Bob Doyle.

STATE LEGISLATIVE ACTIVITY

CALIFORNIA: SCR 51 proclaims March 2002 to be California Fitness Month.

INDIANA: HB 1057 would increase the state's minimum wage from \$5.15 to \$7.15 per hour.

NEW JERSEY: AB 215 would raise the state minimum wage to \$.25 higher than the federal minimum wage (and, in the subsequent year, to \$.50 higher).

AB 453 would require health clubs to have at least one AED, pay for employee training, and have at least one trained staff person on duty at all times.

AB 820 would extend a credit against the corporation business tax and the New Jersey gross income tax equal to 10% of a taxpayer's expenditures to provide its employees with any of various benefits that promote their physical fitness and well-being.

Durango Gyms Hurt By Exodus

Somewhere among the throngs of people swarming to the Durango, Colorado Recreation Center are

members who defected from local health clubs and gym owners are not pleased.

"We are down 46% since the center opened," Barbara Richter, co-owner of Fitness Works Health Club & Spa told the Durango Herald.

The same story is found at Animas City Rock Climbing and Fitness Center. "We are down 50 percent as of Monday and the recreation center is a large reason why," said Anne-Britt Ostlund, executive manager.

At least one club is temporarily out of business. Fitconsult International in Bodo Industrial Park just closed its doors because of declining numbers. "I'm not blaming the recreation center," said Fitconsult owner Frank Fristensky. "But every time a facility like this comes to a city, it affects the existing private businesses."

The \$15.4 million center opened January 5th. Spread out among its 72,000 square feet are two racquetball courts, an aerobics room, basketball courts, a leisure pool, walking track, climbing wall, day-care center, meeting room, water slide and an 11-lane lap pool.

Durango Parks and Recreation Director, Cathy Metz said about 1,500 people are using the center each day. She said she was sorry to hear about Fitconsult shutting down, but that the center's impact on local health clubs probably won't be fully known for another two months.

"Anytime there is a new facility like this, people come, check it out and decide if they like it and want to stay or if it is too crowded," Metz said.

Before voters approved the center, local health clubs warned that the city would be competing with local businesses and potentially putting them out of business. A study showed the center would draw about \$904,500 away from health-clubs.

Creating Profitable Sports-Specific Specialty Programs

By: Joy Karley, M.A.

Whether you are training professional or recreational athletes, the potential for improving performance is a sure sell for a well-designed program. And while training professional athletes can be exciting, a larger percentage of your clientele are probably recreational athletes. Marketing sport-specific programming to these clients can create both a new revenue stream and a dedicated following if your programming is successful.

Rather than sticking with traditional sports specific programming, try looking to newer program options that are

growing in availability and popularity. This will give you more program options and allow you to take advantage of popular new trends in programming. Professional athletes are looking to various disciplines such as yoga, Pilates, and martial arts to improve performance. While this is enough to get some weekend warriors into the next class in an effort to emulate their heroes, others will require a more targeted sell to pique their interest.

Instead of trying to lure clients into the traditional classes with the promise of improving sports performance, consider offering special private and semi-private sessions consisting of programming

designed for specific sports. Many recreational athletes might be interested in the newer programs but may be hesitant to join a class full of members already familiar with and/or skilled in the discipline. Additionally, members looking for improved sports performance may not need to participate in the entire class to attain the desired benefits; an abbreviated program may be enough. Eliminating any intimidating or extraneous exercises will make the program more attractive to new participants who are not looking to master the program itself.

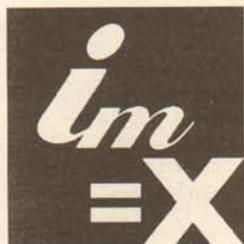
Think back to the football-ballet connection – professional football players

were taking ballet class to improve balance, agility, and flexibility. Ballet apparently yielded good results for many athletes, and ballet classes are now peppered with a few more athletes. However, it could hardly be called a craze, trend, or even a commonplace form of sports training. A better sell would be a sport-specific training program – that incorporated elements from ballet – in order to elicit comparable training effects.

Likewise, clubs can capitalize on the popularity of various disciplines which can offer benefits such as injury prevention, improved performance, and stress relief. Instead of merely trying to channel your recreational ath-

letes into existing classes, market programs specifically for their sport. Look at the requirements of popular sports and make the connection with the benefits of various programs. Fine-tune specialty programming to eliminate unnecessary or unrelated exercises and focus on elements that directly relate to the sport. Alternately, you may choose to combine elements of two or more disciplines and traditional training modes to create a unique specialty program. Many enterprising trainers are already doing this, drawing on a wide knowledge/skill base in order to create innovative, effective programming.

What sports to focus
(See Joy Karley Page 30)



PILATES CLUB PACKAGE

1 800 IMX 1336

ORDER NOW & RECEIVE A 20% DISCOUNT INCLUDES:
IN-HOUSE CERTIFICATION OF STAFF, EQUIPMENT, MARKETING KIT,
BUSINESS SUPPORT - GUARANTEED REVENUE!

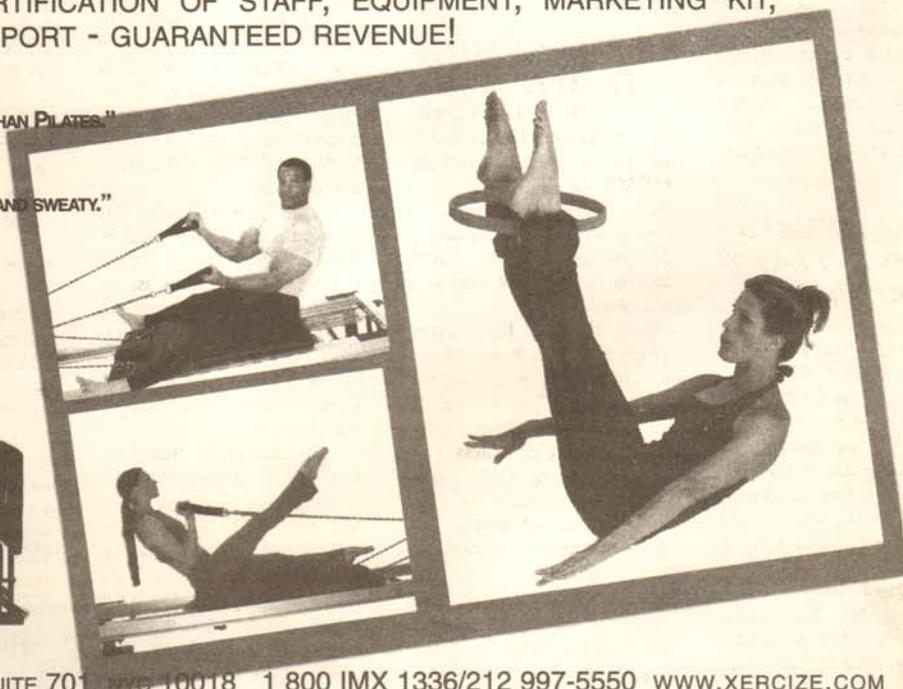
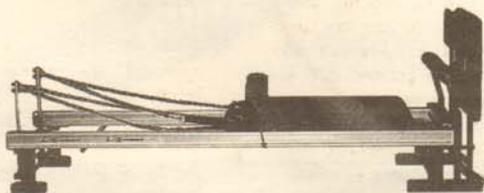
"...IM=X PACKS MORE OF A STRENGTH-TRAINING PUNCH THAN PILATES."

FITNESS MAGAZINE

"THE IM=X CLASS PASSED MY FITNESS TEST: I WAS SORE AND SWEATY."

SHAPE MAGAZINE

THE XERCIZER, MANUFACTURED BY MEDX 96 INC,
IS THE BEST PILATES MACHINE! BUILT TO LAST!



4 Days of Kick Butt Education, 7 Mile Hike to the Top of the Rockies, Pontoon Trip on an Alpine Lake...

HEAVEN?

No, just another Thomas Plummer seminar.



Register NOW...ROCK SPACE IS LIMITED



January 18-19	San Diego, CA
February 8-9	Charlotte, NC
March 22-23	Austin, TX
April 12-13	Portland, OR
April 24-27	Palm Springs, CA
May 17-18	Denver, CO

THOMAS PLUMMER.
COMPANY

800.726.3506

www.thomasplummer.com

It's All About Making Money!

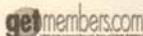
Alliance Partners



APHELION

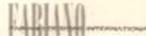
CARDIO Theater

CLUBCOM



GYM PRO SHOP
The Source for Gym Clothing

FITNESS EQUIPMENT



POWERHOUSE
FITNESS GYM CENTER



The complete

package.



"RCM Solutions provided us with all the necessary tools to streamline our systems and processes. We found CheckFree's service to be first-rate and their staff responsive, knowledgeable and anxious to help us. We also found all of the RCM product features and modules to be extremely user-friendly.

Because of this, our employees were able to learn the system quickly and increase their comfort level with each passing month. This provides them with more time with club members. It's perfect. CheckFree takes care of everything and the leasing option made it affordable and easy."

Brenda Hildebrand - Owner, Vice President
Gold's Gym
Alexandria, VA; Winter Springs, FL; Altamonte Springs, FL

Getting Connected

In 1993, Brenda Hildebrand of Gold's Gym made the decision to convert to CheckFree's RCM Solutions. In doing so, she was looking for a proven system with solid customer support. What she received was a complete, no money down, leased turnkey system solution. This included a trusted vendor who was there every step of the way.

CheckFree's RCM Solutions furnished Brenda with the needed resources to bring her clubs up to speed. This bundled approach provided all of the essential hardware, software, EFT processing, and support necessary to run her clubs efficiently and effectively. This allowed Brenda to concentrate on her first priority - her members. Today, Brenda continues her relationship with CheckFree and RCM Solutions, and we continue to work together to find additional ways to enhance our leading software and services.

RCM Solutions from CheckFree Health & Fitness is the complete club management solution used in most of the nation's leading clubs.

RCM Solutions club management systems feature:

- **Software** - Internet browser-based and Windows®-based versions, point-and-click, easy to use
- **Hardware** - Loaded, tested and ready to run
- **EFT** - Complete electronic billing services transfer member fees into your business account every month
- **Professional Services** - Club administration and operations consulting, technology strategies, and growth development and management
- **Technical Support** - For all aspects of RCM Solutions, including hardware, software, conversions and EFT services

For more information about CheckFree's RCM Solutions, click checkfree.com/healthclub or call 800-242-9522.



DIE HEALTHY®, INC. DEBUTS AT IHRSA SHOW

Making its fitness industry debut, Die Healthy, Inc., a unique line of fitness apparel, is proud to announce a promotional program with IHRSA. Focusing on catchy slogans and high quality products, Die Healthy will be creating an apparel niche in the ever-expanding fitness market.

Creative shirts and caps will help reinforce Die Healthy's support of living a healthy lifestyle, while throwing in a touch of humor. The term "die healthy" might be an oxymoron, but it's consistent with the company's products

which are designed to attract attention through clever slogans.

A new Associate Member of IHRSA, Die Healthy will be producing the official IHRSA Convention shirt, which is available at the IHRSA Show in Phoenix this month. Die Healthy will also be producing additional products for IHRSA, including special Surgeon General Warning T-shirts.

"We're thrilled to be a part of IHRSA and to be working with IHRSA," said Die Healthy President and CEO Josh Leve. "And we are

equally excited about the opportunity to provide high quality products to the fitness industry.

"We will be offering both individual sales and an aggressive club purchasing program, designed to make all Die Healthy products available to clubs - for retail sales or staff outfitting."

Die Healthy has also signed on to be a sponsor of healthclubs.com, IHRSA's consumer website.

In Phoenix, Die Healthy will be located at the Lobby 2 entrance to the IHRSA Show (the non-registration lobby area). Discounts for all IHRSA member attendees will be available.

Lineage-wise, Leve comes highly qualified. His

grandfather Mort was the founder of the National Court Clubs Association (NCCA) one of IHRSA's predecessor organizations. His father Chuck has been in the fitness industry for over 30 years and has been a highly esteemed executive at the International Health, Racquet and Sports club Association (IHRSA) for 21 years.

"My grandfather once told me, 'my goal in life is to die healthy.' It is in his spirit that we dedicated our first T-shirt slogan," said Josh Leve.

FOR ADDITIONAL INFORMATION CONTACT:

Josh Leve, President and CEO
- Die Healthy, Inc. 555 Skokie



Josh Leve

Blvd, Suite 215 Northbrook, IL
60062 USA 1-847-480-1160



INFORMATION REQUEST

If you would like to receive information from or be contacted by advertisers in this issue just clip or photocopy this form, mark the block(s) of the respective companies, complete the information requested in the blanks and fax to the number shown.

Please mail information to me Please contact me at the number written below.

Name: _____
Club or Company Name: _____
Address: _____ City: _____
State: _____ Zip: _____
Phone #: (____) _____ - _____ Fax #: (____) _____
E-Mail: _____

Club Insider News Advertisers

- | | |
|--|---------------------|
| <input type="checkbox"/> Hammer Strength - Pg 32 | Fax#:(847) 288-3791 |
| <input type="checkbox"/> Friday Report - Pg 5 | Fax#:(212) 987-4227 |
| <input type="checkbox"/> Affiliated Acceptance - Pg 11 | Fax#:(816) 753-1429 |
| <input type="checkbox"/> Sales Makers - Pg 2 | Fax#:(914) 736-0508 |
| <input type="checkbox"/> Springfield Corp - Pg 12 | Fax#:(770) 729-0995 |
| <input type="checkbox"/> Muscle Dynamics - Pg 19 | Fax#:(310) 323-7608 |
| <input type="checkbox"/> Association Insurance Group - Pg 14 | Fax#:(303) 985-1248 |
| <input type="checkbox"/> Body Training Systems - Pg 31 | Fax#:(770) 424-1590 |
| <input type="checkbox"/> Free Motion Fitness - Pg 13 | Fax#:(719) 955-1104 |
| <input type="checkbox"/> National Gym Supply - Pg 15 & 16 | Fax#:(310) 390-2627 |
| <input type="checkbox"/> Healthy Inspirations - Pg 25 | Fax#:(401) 783-9671 |
| <input type="checkbox"/> Ivanko - Pg 17 | Fax#:(310) 514-1363 |
| <input type="checkbox"/> JLR Associates - Pg 14 | Fax#:(781) 431-0890 |
| <input type="checkbox"/> Thomas Plummer Company - Pg 28 | Fax#:(818) 707-1341 |
| <input type="checkbox"/> ICAA - Pg 21 | Fax#:(604) 708-4464 |
| <input type="checkbox"/> IHRSA - Pg 7 | Fax#:(617) 951-0056 |
| <input type="checkbox"/> Xercise - Pg 27 | Fax#:(212) 997-7356 |
| <input type="checkbox"/> CheckFree - Pg 29 | Fax#:(678) 375-3304 |
| <input type="checkbox"/> Premium Performance - Tng - Pg 9 | Fax#:(303) 417-1747 |
| <input type="checkbox"/> Club Performance Network -Pg 22 | Fax#:(303) 526-2066 |

...Joy Karley

continued from page 27

on? The biggies as far as participation - and revenue - are golf and tennis. Participants are often dedicated to these sports, always looking to improve their game and avoid injury. Due to the costs often associated with participation and equipment, these sports also tend to be associated with higher income clientele that can afford personal or semi-private training. Survey your members and do a little outside research to determine

the most popular recreational sports in your area, then build your specialty programs where there is the most demand.

What to incorporate into your programs? Non-traditional programs such as Yoga, Pilates-based programs, Martial Arts, and Dance can provide benefits ranging from increased overall strength, core strength, and flexibility to better balance, posture, stabilization and coordination. Additional benefits such as stress relief and relaxation may result from these types of

training as well. Combine this with the benefits of more traditional training including flexibility/stretching programs, cardiovascular training, and strength training for a winning program.

(Joy Karley is Executive Vice President of The Xercise Corporation - creators of IM=X^o (Integrated Movement eXercise) innovative, new Pilates-based programming and equipment that capitalizes on the demand for the Pilates exercise system, enhances its benefits, and introduces a lucrative new source of revenue for club owners. Joy can be reached at 212.997.5550 (800.IMX.1336 outside New York) or jkarley@att.net.

I Am Seeking To Acquire A Club

I am currently working with a group that's seeking to acquire or assume control of a club. This club may be currently losing money now, but has upside potential. Most interested in clubs in major or mid-size Midwestern or Eastern U.S cities

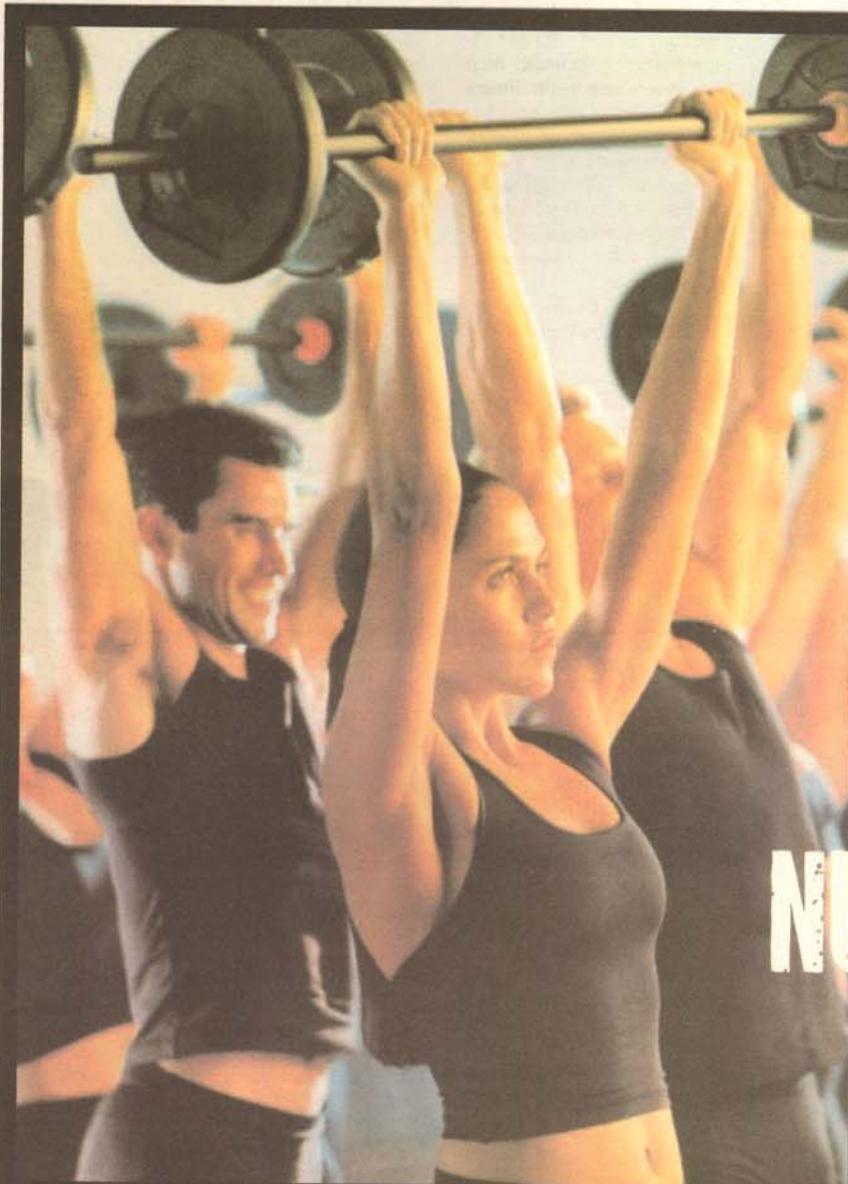
CALL LARRY TOTH - (330) 722 - 3776

Florida Multi-purpose Club For Sale

44,000 square foot multi-sport club with 14 outdoor lighted tennis courts on 6 acres ideally located off of I-4 in Orlando, Florida. Club includes outdoor lap pool, restaurant, 12 lighted har-tru tennis courts, 2 lighted deco-turf tennis courts, full court basketball, 8 racquetball courts, 2 squash courts in addition to customary fitness room, weight room, aerobics room, cardio-equipment, Cardio-Theater, locker rooms, childcare and more. A "must see" club.

Call - (407) 620 - 7977.

Make It Fun



DOUBLE YOUR CLASS NUMBERS IN 12 MONTHS

It's quite a claim to make. That you can double your group fitness numbers within 12 months. Yet time after time, that's exactly what happens when clubs take on Body Training Systems. Other key sales and profit numbers also increase dramatically. Here are some actual U.S. examples - "\$120,000 membership sales (3 clubs) in 1 week with the launch of BODYATTACK" - "52% decrease in cost per member serviced in Group Fitness since 1999". These results are possible in *your* club by following the system developed over the past 21 years by Les Mills International, operators of one of the most profitable and innovative club chains in the world.

Make plans today to attend our revolutionary Group Fitness Management Training which delivers real solutions proven in over 5,000 clubs using Body Training Systems worldwide.

**U.S./Canada clubs call
800-729-7837**

www.bodytrainingsystems.com

**International inquiries see
www.lesmills.com**



BODYPUMP



BODYFLOW



RPM



BODYSTEP



BODYATTACK

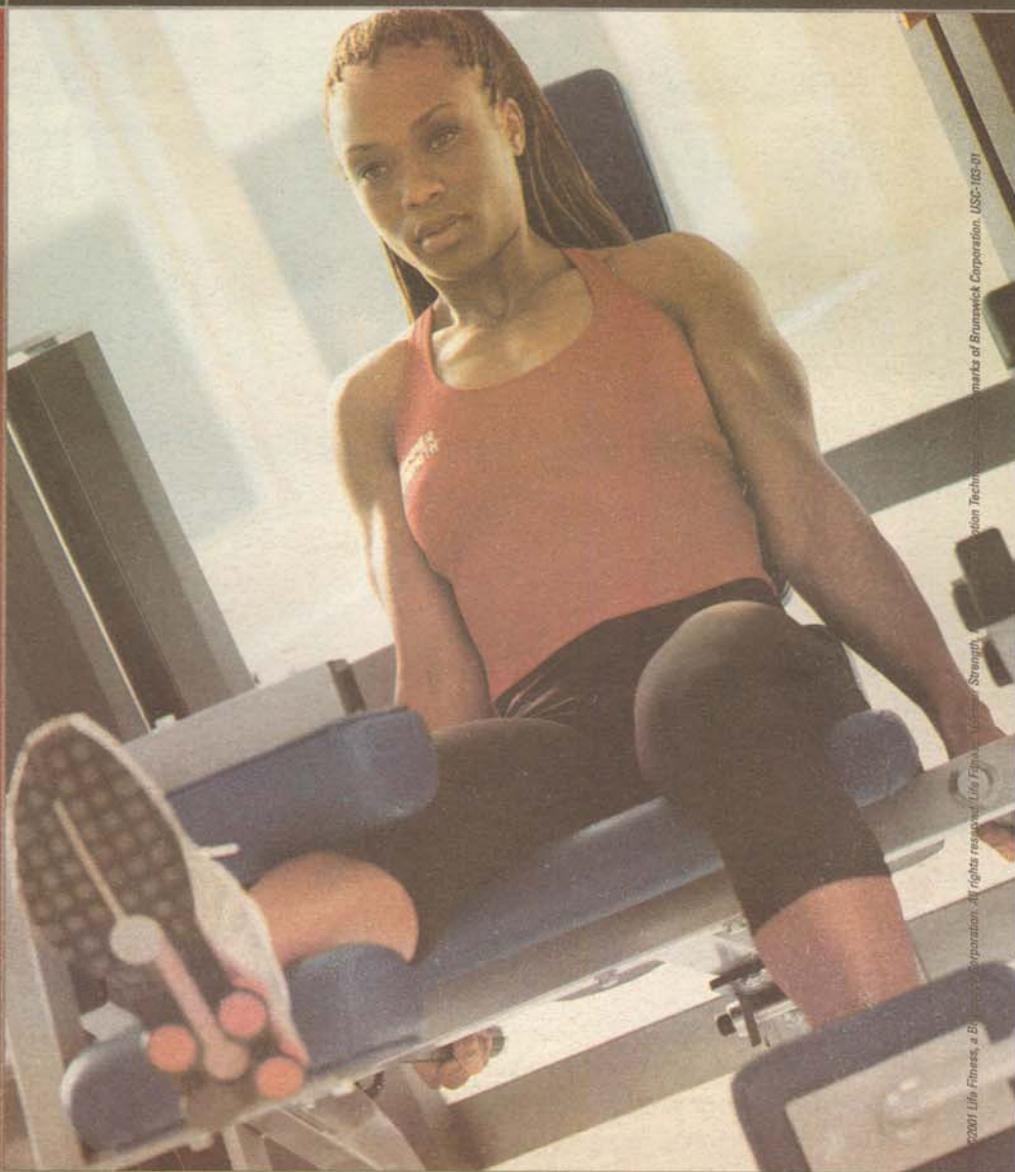
bodytrainingsystems®

PROVIDING GROUP FITNESS SOLUTIONS WORLDWIDE

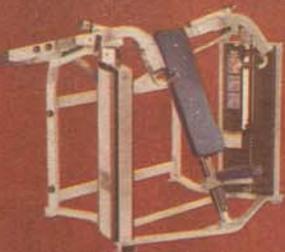


THE LATEST HAMMER STRENGTH[®] MOVEMENT IS NOW COMPLETE.

ISO-LATERAL[®]



©2001 Life Fitness, a Brunswick Corporation. All rights reserved. Life Fitness, Motion Technology, Hammer Strength, and Hammer Strength are trademarks of Brunswick Corporation. USC-102-01



ISO-LATERAL[®]
SPECIALTY PRESS

Selectoized strength training is now more natural and more complete. Introducing our entire line of Motion Technology[®] Selectoized machines. They closely replicate the natural movement patterns of the human body better than any other selectoized source. Our MTS line is so unique because the machines combine our patented Hammer Strength[®] Iso-Lateral[®] movements with the convenience of dual weight stacks. Expand your possibilities with Hammer Strength MTS equipment.

CONTACT US FOR MORE ON OUR COMPLETE LINE OF HAMMER STRENGTH MTS MACHINES.

Reference Code: AD-CIN-MTS

HAMMER STRENGTH[®]

www.hammer-strength.com
800.634.8637