

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

Norm Cates'

THE Club Insider

NEWS

FEBRUARY 2004
VOLUME II NUMBER 2

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



(L to R) Leslie Austin, Skipp Johnson, Gordan Johnson and Tom Butler

Gordon Johnson... and Team...

Gold's Gym Stars!



Take the fitness of your club to the next level.

Your members want to reach peak form...that's why they continuously push themselves to the "next" level to get there.

Managing your club is no different. You want to operate efficiently and reliably — in top shape to anticipate what's next in your competitive marketplace.

RCM Solutions from CheckFree Health & Fitness is the preferred club management solution for the nation's leading health clubs. From contract management to front desk check-in to accounting and EFT processing, CheckFree RCM Solutions enables higher profits with lower operating costs.

Find out about **CheckFree RCM Solutions'** new v5.5 release with robust enhancements including expanded e-Cash, Point-of-Sale and Sales Prospecting functionality and much more — all designed to take your club to the next level of performance.

For information call 1-800-242-9522 or visit us at www.rcmsolutions.com.

Experience what's next. Experience CheckFree.

CheckFree
Health & Fitness

Visit us at IHRSA 2004 booth #1039.

Norm Cates' **THE Club Insider** NEWS

Gordon Johnson... and Team... Gold's Gym Stars!

An In-depth Interview

By: Norm Cates, Jr.

Gordon Johnson and his team represent all that is good about the health club industry. Johnson's three Gold's Gyms, located in Douglasville and Marietta, Georgia, set a very high standard of excellence for this entire industry. Johnson's Gold's Gyms are not only amongst the elite operations in the entire 650+ Gold's Gym franchise organization, they are elite and stand out amongst America's 23,497 commercial health clubs.

Gordon Johnson's Gold's Gyms represent the "good" in a health club industry. An industry in which the good, the bad and the ugly are found in the 23,497 operations across North America. When I use the term "operations" I am not referring to just brick, mortar and equipment. What I am referring to is the moral fiber, the heart, the standards and the ethics of clubs. The moral fiber, the heart, the

standards and the ethics of clubs purely and simply, are based on the individuals that own, manage and operate those clubs. The "good" operations in North America overwhelmingly exceed the "bad" and the "ugly" operations in number. My guess would be that 90% or more of health club "operations" fall into the "good" category. And, the "bad" operations, representing a vast minority, are not necessarily bad because they wish to be bad. Simply, "bad" operations could also be described as being unaware of or lacking in operational professionalism and sophistication. However, the very few "ugly" operations in America are not just ugly. They are "butt-ugly."

This article shares a lot of what is inside the heart and the head of one Gordon Johnson, a man that is now in his 23rd year of operating ethical, morally sound, heart-based, high standard health clubs. It is the hope of this author that those

club operators who wish to improve their clubs will learn from this in-depth interview with the 23-year veteran Johnson.

When I write here about Gordon Johnson and his Gold's Gym "Team" being good, clarification is required. Johnson's Gold's Gyms are not just "good." They are "great" for many reasons that you will learn about herein. Johnson has made his Gold's Gyms "great" by making good decision after good decision during his 23 year career. Those good decisions are paying terrific dividends now. Take for example, Johnson's decision to install the terrific Body Training Systems programs. Wait until you read what Johnson is doing with the five BTS programs! Read on.

An In-Depth Interview With Veteran and Award Winning Gordon Johnson

Q. Gordon, tell me about your background. Where you were

born, where did you grow up and tell us about your education?

A. I was born in Atlanta, Georgia. My Dad was a career Navy man and during WWII we moved a lot which in looking back on it probably taught me to live with change. My family settled back in Atlanta in 1946 where I went to high school and was graduated from Georgia Tech in 1956 with a degree in Chemical Engineering. I met my wonderful wife of 46 years, Shirley, on a tennis court and we've been together ever since. She's my life partner and my business partner.

Q. Tell me about your family?

A. My oldest is my daughter, Kathy. My sons Skip and Scott are next in line. My sons both work full time in the business with me. All three of my grown kids each have two children, so Shirley and I are blessed with six wonderful grandchildren.

Q. Gordon, I understand you are a retired U.S. Marine full Colonel.

How did you end up in the Marine Corp?

A. I had a Naval R.O.T.C. Scholarship to Georgia Tech. I took the Marine Corps option while at Georgia Tech and was commissioned as a 2nd Lieutenant in the Marine Corp upon graduating from Tech in 1956. I served as an active duty Marine for 3 years and then decided to leave active duty service. I then served in the Marine Corp reserves for 20 more years, eventually retiring in 1979 as a full Colonel. The Marine Corps molded my character more than any other influence during those 23 years of active and reserve military service.

Club Insider- Gordon, as just one American, I want to thank you for serving our country all those years.

Q. I understand that you spent a period of your working life before your club involvement in manu-
(See *Gordon Johnson Page 10*)

"2003 In Review"

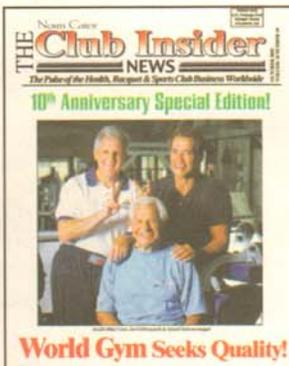
Part - III

By: Norm Cates, Jr.

October 2003

The October, 2003 issue was our 10th Anniversary Special Edition and World Gym CEO, Mike Uretz, Joe Gold, the founder of both Gold's Gyms and World Gyms and the newly (at the time) elected Governor of California, the one and only, Arnold Schwarzenegger, adorned the cover of our 10th Anniversary Special Edition! Our cover story, "World Gyms Seek Quality!" told the story of how Joe Gold started World Gyms and why. It also contained a wonderful interview with Joe Gold and an in-depth

interview with World Gym, CEO, Mike Uretz. Mike Uretz is an astute businessman and a terrific CEO and leader of World Gym. It was a great pleasure speaking with Mr. Gold and Mike Uretz and I hope to speak in person with Governor Schwarzenegger at the Arnold Classic in Columbus, Ohio in March. I also want to say this. Just like I thank my Dad for his dedicated service to our great country in the U.S. Air Force during World War II and the Korean War, I also thank Mr. Joe Gold for his service to our country. Without the sacrifice and dedication from these brave men like my Dad and Mr. Gold, I just might be sitting here writing all of this in Japanese or German. Thanks Dad and Mr. Gold! And, congratulations to Governor and Mrs. Schwarzenegger!



Our page #3 also contained a headline story about Tom Behan and Andrew Eker, Alaska Club owners, signing on for 10-"Ray Wilson Healthy Exercise" franchises for Alaska (4), Washington state and
(See *2003 In Review Page 14*)

Precor takes next step

Precor takes next step in leadership quest, acquires ClubCom, and Cardio Theater Technology key to the "total product" vision. On the heels of acquiring commercial strength company Icarian, Precor takes another step toward global leadership with the acquisition of entertainment technology leader ClubCom, including its Cardio Theater division for \$22 million.

"ClubCom and Cardio Theater add a technology backbone to Precor's promise of fitness industry leadership through a 'total product' of

value-added services," said Precor president Paul J. Byrne. "We have an aggressive growth plan, and with the backing and resources of our parent company, Amer Group, we're concentrating on global leadership through a broader range of products and services than seen in the market today."

ClubCom is the global leader in private television networks to clubs and fitness facilities, offering customized audio/video entertainment, network systems and advertising.
(See *Precor Page 24*)

Inside The Insider

- **CheckFree Selected By Butterfly Life**
- **"Dinosaur Practices"**
- **How to Attract the Overweight Population - Part II**
- **Can Health Clubs Solve America's Health Care Crisis?**

Hear ye ! Hear ye ! Hear ye !

Comes now Norm Cates to announce and Cordially Invite you and your friends to a
Grand Celebration ! A "Party to Remember !"

The 10th Anniversary Celebration of

Norm Cates'

THE Club Insider

NEWS

- Featuring a "Tribute to Ray Wilson", America's 50+ year health club pioneer and legend. Ray Wilson and Dale Dibble (through a representative) will be honored at this 10th Anniversary Party with The CLUB INSIDER News' 1st Annual "Health Club Pioneer of the Year Awards !" Ray Wilson will receive IHRSA's DALE DIBBLE Distinguished Service Award, Thursday am, March 25th.
- Meet The CLUB INSIDER News "Cover Stars" for the past 10+ Years!
- Meet our terrific CLUB INSIDER News Advertisers and Contributing Authors!
- Smile, drink, eat, dance and party with people that will become friends for life!
 - Door prizes, complimentary food, music, and cash bar.
 - Network - Network - Network - Network !

Las Vegas Hilton Ballroom "C" (for Cates !)

Wednesday evening March 24th- 7:30 to 10:30 pm

Black tie totally optional ! Las Vegas casual for dancing works!

Another 'Norm Cates Special Events', Inc. Production

The CLUB INSIDER News 10th Anniversary Celebration Sponsors:

- **PLATINUM**- CheckFree Corporation Health & Fitness Division
- **GOLD**- Body Training Systems, Inc., Thin and Healthy Weight Management, Inc., Health Club Panel Network-Gene Lederer
- **BRONZE** - Lifestyle Family Fitness Center, Sales Makers, JLR Associates and Retention Management

*Additional Sponsorships are available. Call (770) 850-8506 or
Send email to: clubinsidernews@mindspring.com*

●Norm's Notes●

●WE HAVE A DREAM! Many of us share a dream for the health club industry's reputation amongst consumers to continue to improve in North America to the point that some day the American consumer has complete trust, faith and confidence in our industry. That's our 'dream' and we're sticking to it! "So", you may be saying, "how do you think that might happen?" Well, here is how it 'might' happen. It could happen if health club operators everywhere really come to understand the importance of honest, ethical, straight-forward consumer relations, and maybe more importantly, if those operators realize how one bad egg in a major market can be for all the rest, and then do something about it! It could happen if this health club industry unites behind an organization, like IHRSA, that has stood for and promotes honest, ethical, straight forward consumer relations. And importantly, at the same time, the club owners and operators come to truly understand the importance of and really begin to utilize in mass, the

educational and career advancement opportunities provided by organizations such as IHRSA, The American Council on Exercise, the American College of Sports Medicine, the Club Industry Conferences and the Regional Trade Associations, such as NEHRSA. The health club industry reportedly now has 23,497 health clubs across the U.S. Clearly, the health club numbers are advancing rapidly with a 16% increase in 2003. However, the question must be asked, "Are the health club membership numbers advancing at the same rapid pace, or is the health club industry continuing to "churn" the same members from club to club?" My guess is that by now the answer is some of both. We must reach out to new people, people that have never been health club members and yes, we must "churn" former club members from club to club. That is the 'easy' part. Initiatives such as IHRSA's upcoming 'Get Active America!', May 17 to 23rd, and Bally Total Fitness's "FREE FRIDAYS" in February, should be terrific, new prospect

producing efforts. And recently, IHRSA's **CHUCK LEVE** announced that the **California Strawberry Commission** has signed on as a Premier Sponsor of the "Get Active America" push to bring masses of 'non-club members', new member prospects into the doors of participating clubs everywhere. And, 'participating' is the operative word here. Folks, make plans to join 'our dream' and come to **Las Vegas, Nevada, March 22nd thru 25th for IHRSA's 23rd Annual Convention and Trade Show** where you meet new people, learn new things and leave totally renewed and recharged for new challenges. I promise you that you will be glad you attended and, that the investment you make in time and money to be there, will come back to you many times over during the years to come. The really great club owner/operators in this industry are people that have been relentless in their pursuit of knowledge and expertise in their chosen fields. Do you want to go from being "Good" to being "Great?" If so, come to **IHRSA Las Vegas**, because the educational opportunities at the IHRSA Convention are unparalleled. Beyond education, there is **NETWORKING**.

●Other great reasons for you to be in Las Vegas for IHRSA's 23rd Annual Convention and Trade Show: **Monday Evening- March 22nd- The IHRSA Opening Reception-**

begins at 7:30 until 10:00 pm. Tuesday 8:30 a.m., RUDY GULIANI (former Mayor of New York City) will receive IHRSA's Person of the Year Award and give a keynote speech on leadership. Tuesday Evening - 6 pm - the Nova 7 Awards for club excellence presented by Fitness Management Magazine. Wednesday - 7:30 pm.- The CLUB INSIDER News 10th Anniversary Celebration featuring a "Tribute to Ray Wilson". (Check out the Party invitation on page #4. The Party begins at 7:30 pm. At 8:00 p.m., I will present the first ever CLUB INSIDER News "Health Club Pioneer of the Year Awards" to RAY WILSON and to DALE DIBBLE, our first two recipients. (Dale will not be present, but I have a plan). At 8:30, the D.J. will begin to rock the house with dance music, so come dressed to dance and meet and mingle the night away! We hope your schedule will allow you to be there at 7:30 pm, but if you have other items scheduled, come on by late and help us finish the celebration. At 10:30 p.m., the Party will move to another part of the Las Vegas Hilton to be announced at 10:30! Thursday morning- 8:30 am ACE Awards. And, at 8:50 am, Ray Wilson will receive his second honor in 24 hours, IHRSA's DALE DIBBLE Distinguished Service Award and I am honored to be the one that will introduce Ray and present the award to him at the



Norm Cates

IHRSA General Session that
 (See Norm's Notes Page 7)

The Club Insider News Contributing Author Team

The 2004 CLUB INSIDER News 2004 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
- Michael Scott Scudder - President - Southwest Club Services - (505) 690-5974
- Casey Conrad - Communications Consultants - (800) 725-6147
- Rick Caro - President, Management Vision, Inc - (212) 987-4300
- Colin Milner - V.P. Sales/Marketing - Founder & CEO International Council on Active Aging - (866) 335-9777
- Rudy Fabiano - President and Design Director - Fabiano International - (973) 746-5100
- Tom Lincir - President - Ivanko Barbell Company - (310) 514-1155
- Pete Moore - President - FitnessInsite - Pete@FitnessVentureGroup.com
- Paul Goldner - President - Red Hot Sales (914) 282-4682
- Bonnie Patrick Mattalian - Principal - The Club and Spa Synergy Group - (732) 236-2273 or bonniepatmat@aol.com
- Ronda Gates - President - Lifestyles - (800) 863-6000
- Donna Krech - Founder/CEO Thin & Healthy, Inc. - (419) 991-1223
- Karen Kirby - President - Health Style Services - (210) 884-2620

IHRSA 2003 Exhibit Numbers

ADVERTISER	Exhibit #
ABC Financial Corp.-	#1239
Affiliated Acceptance Corp.-	#2126
CheckFree Corporation -	#1039
CLUB INSIDER News-	#1950
Club Performance Network -	#1611
Fabiano Design International-	#2515
Fair Financial Corporation -	#1748
Fitness Management Mag.-	#1348
GymPro -	#2814
Iron Grip Barbell Company-	#1139
Ivanko Barbell Company -	#1109
MedX Core Spinal Systems-	#1201
Ray Wilson Ventures, Inc. -	#2925
Sales Makers-	#2614
Springfield Corporation -	#1803
Thomas Plummer Company-	#2048
Thin and Healthy, Inc.-	#2502

Norm Cates
THE Club Insider
 NEWS

11 Years and Counting!

Subscribe Today!

Here Is Why:

- Norm's Notes With Latest Industry News First
- Great Articles To Help You Improve Your Club's Profit
- "Tell-It-Like-It-Is" Editorials

Name (s): _____

Attach List For Additional Subscriptions

Club Name: _____

Address: _____

City, State, Zip: _____

Telephone: _____

___ \$89 (U.S.) - 12 Issues (Includes Canada)

___ \$119 (U.S.) - 18 Issues (Includes Canada)

___ \$199 (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

LAW OFFICES OF JEFFREY B. KAHN, P.A.

WWW.KAHNTAXATTORNEY.COM

JEFFREY B. KAHN, LL.M.(TAX)
 BOARD CERTIFIED TAX LAW
 E-MAIL: JKAHN@ATTORNEY-CPA.COM

CORAL SPRINGS OFFICE:
 3300 UNIVERSITY DRIVE, SUITE 711
 CORAL SPRINGS, FLORIDA 33065
 TELEPHONE 954-757-6100 FACSIMILE: 954-757-6110

BOYNTON BEACH OFFICE:
 2500 QUANTUM LAKES DRIVE, SUITE 203
 BOYNTON BEACH, FLORIDA 33426
 TELEPHONE: 561-853-2103 FACSIMILE: 561-853-2199

REPLY TO: CORAL SPRINGS

January 22, 2004

Club Insider News
 c/o Norm Cates
 P.O. Box 681241
 Marietta, GA 30068

Re: About Family Fitness, Inc. opening of a fitness club in Coral Springs, Florida.

Dear Mr. Cates:

This letter is to advise you that I represent About Family Fitness, Inc. ("AFF") which is opening of a fitness club in Coral Springs, Florida later this year.

In the November 2003 issue of the Club Insider News you wrote an article in which you stated that Brian Homan was opening another fitness club in Coral Springs and you inferred that his previous business dealing should dissuade anyone to support this club. I am enclosing a copy of this article for your reference.

Please be advised that AFF is solely responsible for developing this club and has many investors which have committed financial resources to accomplish this. Mr. Homan has no ownership interest in AFF and he is not an officer or director. AFF has however engaged Mr. Homan as a consultant.

Please take the appropriate action in the next available issue of Club Insider News to accurately portray that AFF is opening this club and that Mr. Homan's involvement is limited to that as a consultant. We would appreciate you sending a copy of such insert in your newsletter.

If you have any questions, please do not hesitate to contact me.

Thank you for your cooperation.

Very truly yours,

Jeffrey B. Kahn

Encl.
 cc: Marty Fuchs (w/Encl.)

February 12, 2004

Mr. Jeffrey S. Kahn, Esquire
 3300 University Dr. Suite 711
 Coral Springs, FL. 33065

Dear Mr. Kahn,

I am responding to your letter to me dated January 22, 2004.

In respect to your request that I publish commentary in my next available issue that will clarify my previous statement about Brian Homan's involvement in "All About Family Fitness" ("AFF"), please note that I did that in my December, 2003 edition. Further, in my January and February Norm's Notes, I published additional comments on the Brian Homan re-entry into the health club industry. I have enclosed those two issues along with this letter. Additionally, in my February issue, I published your January 22nd letter to me and this letter of response.

Mr. Kahn, please be advised that I do not speak just for myself. Through these writings, I am speaking on behalf of the club ownership group in Southeast Florida and in particular, in the Coral Springs area. Please be advised that the retention of Brian Homan in ANY CAPACITY in the health club industry is objectionable to me and the health club business leaders in Southeast Florida. The health club industry in America is rapidly improving its image. That is happening because a huge percentage of our owner/operators these days are honest, reputable, trustworthy, dependable people and businessmen and women. Brian Homan is not, based upon his past behavior. Therefore, the re-entry of Brian Homan into our industry is something that we all wish to protest and I hereby formally set forth that protest.

And you, Mr. Kahn, as a Licensed Florida Attorney, are at great legal and financial risk should you do the wrong things while serving as Counsel for AFF". First, as said Counsel for "AFF" you have a legal, moral and fiduciary responsibility to every one of your "AFF" investors to be sure that they are all fully informed about Brian Homan's background. In particular, you should inform each of these investors of the disastrous end that came to Homan's Tools Management, Inc. You should inform those investors that when Homan's Tools Management, Inc., with him as President, shut down, it converted over \$200,000 in electronic dues funds (EFT) that Homan had collected on behalf of at least 8 club owner clients. This money was gone with the wind. Lost. Never recovered. In fact, one club lost over \$70,000 and another lost over \$40,000. And, at least six additional clubs, possibly more, lost an additional \$110,000 to Homan's abyss.

Mr. Kahn, you, as an Attorney Licensed in the State of Florida, have a responsibility to the citizens of Florida, in particular, those citizens that are investors in "AFF" to do the right thing. Anything short of that will leave you personally and corporately exposed to anything that happens from this point forward. Should you move on without properly notifying the "AFF" investors of Homan's background, you will be at great personal risk legally and financially, should Homan again prove to be unreliable and unscrupulous as he proved to be while serving as the President of Tools Management, Inc.

This matter and this letter are being copied to the following: Florida Bar Association, Governor Jeb Bush, Florida Attorney General's Office, Florida Consumer Affairs Office and IHRSA (the International Health, Racquet and Sportsclub Association).

There is nothing good that can possibly come from Brian Homan's re-entry into the health, racquet and sportsclub industry. And, there is nothing good that can come from your failure to inform all of the "AFF" investors fully about Homan. If, upon receiving full disclosure and notice about Homan, those investors decide to continue their involvement with him, at least you will have done the right thing for the investors. The consumers in the Coral Springs, Florida market will then be the only possible victims for Brian Homan. I, and more importantly, the citizens of Florida, should trust that the Florida Attorney General's Office and the Florida Consumers Affairs Office will keep a tight rein on that "All About Family Fitness" club, should it ever open. And, you should make ridding the health club industry, and in particular "AFF", with any involvement with Brian Homan your #1 priority!

Govern yourself accordingly,

Norm Cates, Jr.
 Publisher
 The CLUB INSIDER News

The "Insider" Speaks

By: Norm Cates, Jr.

You Make A Difference !

You may be a Jack Nicholson fan and you may have seen the movie, "About Schmidt", that Jack starred in a few years back... If not, let me quickly tell you about the movie.

About Schmidt is a sad, funny, thoughtful and very meaningful movie. If you've seen it and watched it to the very end, you may know the message I am getting to in this writing to you. But, if you have not, rent the movie and watch it all... all the way to end, for that is where the very important message is. In the mean time, here is a quickie on the movie and the message I have for you.

Warren Schmidt, played by Jack Nicholson, is a retired insurance executive and actuary. Hardly a year into his retirement, his wife of 42 years dies. Not long after she dies he finds a shoe box

full of love letters from his best friend, Ray, written to his wife by Ray, 25 years before. He is devastated and enraged. He attacks Ray outside Ray's office and Ray confesses, saying it happened while Schmidt was away working in San Francisco. Shortly after that his daughter is scheduled to get married. Schmidt struggles as he mourns the loss of his wife, the revelation that she and his best friend had an affair and then he suffers rejection from his daughter, his only child. During all this he receives a mail solicitation seeking \$22 per month to "adopt" a small child in Africa. He sends in the interest response and soon receives a letter about his "adopted" child, a six-year old boy in Africa named Ngodu. He writes a letter to Ngodu in which he pours out all his ongoing anguish and sadness, and encloses a check for \$22. More rejection came when Schmidt left for Denver in his RV two weeks

before his daughter's wedding. He called her when he was about six hours away, excitedly telling her "If I drive right through, I can be there in time for dinner!" She hostily told him to "stay away until two days before the wedding", which he sadly does. He kills two weeks by visiting his childhood home and other sites and then arrives at the home of the Mother of the groom in time for the wedding rehearsal and wedding. The first night he was there, immediately after dinner, he took his daughter aside and objected to the young man his daughter was planning to marry as being "beneath her". She was enraged and stomped away telling Schmidt basically to go to hell and telling him, "After all these years, NOW you want to become involved in my life!" But, the wedding went on and Schmidt delivered a very warm and eloquent toast to the couple at the Wedding Dinner.

(See Insider Speaks Page 8)

...Norm's Notes

continued from page 5

begins at 8:30 am. And, be sure to schedule lots and lots of time each day to attend **IHRSA's 23rd Annual Trade Show.** Assembled by IHRSA's **CHUCK LEVE** and **TOM HUNT**, this will be another *monster event*, featuring hundreds of manufacturers and vendors over several hundred thousand square-feet. Bring your check-book and come prepared to place orders because a bunch of great IHRSA Specials will be offered. Call IHRSA at: 800.228.4772 or go to: www.ihrsa.org. I look forward to seeing you again or meeting you for the first time ever at the **IHRSA Opening Reception**, at our **Trade Show Booth #1950**, at our **10th Anniversary Party**, on an elevator or wherever. If we have never met, it will be my honor to *meet you personally*. So, keep in mind I'm the 'good-guy' in the black hat. See you in Vegas!

• **Announcing: The CLUB INSIDER News "OPEN FORUM"!** The new monthly "OPEN FORUM" page will feature your written comments

on anything **YOU** wish to address in writing. You can comment on important current industry issues, on recent items I have written about, new industry developments, IHRSA issues, and whatever else is on your mind. When you write, just let your feelings *flow* onto your computer or paper! The driving editorial force of **The CLUB INSIDER News** every month for over 10+ years has been my editorial commentary in "**Norm's Notes**" and our "**Insider Speaks**" page. Plus, originally, our "**Frog's Deadbeat Bulletins**" and recently, our "**Bottom Feeders Updates**", have kept you informed. In these items I have constantly used input and information from those of you that have taken the time to call me to share (770) 850.8506 fax: (770) 933.9698 or email: clubinsidernews@mindspring.com) your thoughts and feelings. However, we need to "**CRANK UP**" the communication from you to me because our communication flow is '**out of balance**!' We need to hear **MORE** from **YOU** and **LESS** from **ME**, so I may share your views with the club world. I will begin with one page for "The

CLUB INSIDER News" 'Open Forum', page #8 each month. Just in case you don't know it, "Open Forum" is what we called the meetings of disgruntled IHRSA Members back in 1986 and again in 1994 when threatening issues had cropped up in the Association. (By the way, if you want to learn more about IHRSA's leadership and you want to have the chance to actually sit down and express your views about IHRSA face-to-face to those leaders, **DON'T MISS** the IHRSA "Networking Forum". This will be an opportunity for you to meet person to person with all 16 of IHRSA's Board Members. The Networking Forum will be held at the Las Vegas Convention Center Room S 229, Tuesday March 23rd from 4:00-5:30 P.M.) Back to our new "OPEN FORUM" monthly column. I want you to give me feedback on what I and our Contributing Authors write, and invite each of you to "**Tell-Me-Like-It-Is**" on any issue **YOU** feel is important. I will publish as many of your "OPEN FORUM" comments as possible each month. We will start with one full page and then

we will grow to two or more pages if necessary. And, if you send a comment that is in my opinion as the editor, "unprintable due to vulgarity" I will edit out the "F" words and "B ___ S ___" words, etc. and run the real message you are trying to convey. But, if it makes you feel good and you feel it enhances your ability to *communicate*

your true 'inner feelings', you won't hurt my feelings with a few well chosen adjectives and cuss words. So, **don't be shy**. Give **your honest and candid opinion** in just one or two paragraphs. Be sure to put your name and contact information on your memo. So, let's get this
 (See Norm's Notes Page 28)



Established 1993
 11 Years and Counting!

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*

www.waltonpress.com

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

NO MORE EXCUSES... ...TO MISS SALES GOALS

Sales Makers is a marketing and sales training consulting firm specializing in 3-day on-site seminars & performance based consulting agreements.

Over the past five years Sales Makers clients have averaged a 28% increase in sales. We have worked with over 845 clubs and 163 pre-sales and expansions.



IHRSA Business of the Year
www.sales-makers.com info@sales-makers.com

Trade Show News

Sales Makers will be located at **booth 2614** at the IHRSA Trade Show

Conference Update

Eddie Tock presents: So, You Want to be a Sales Manager
 Monday, March 22, from 4:00 pm to 5:30 pm

Ray Gordon presents: Creative Ways to Increase Member Referrals...
 Thursday, March 25 from 2:30 pm to 3:30 pm

800.428.3334

CheckFree Selected By Butterfly Life

Health club franchise Butterfly Life is bringing a new and comprehensive approach to the women's health and fitness industry. Founder and CEO, Mark Golob, and the Butterfly Life management team have chosen to focus not only on the nutritional and exercise components of women's health but also to incorporate aspects of psychology, beauty and fashion. This first-of-its-kind approach to healthier lifestyles for women is already underway with the sale of 5 franchises in California and Atlanta, Ga. At Butterfly Life, women will be presented with 360-degree solutions for living that go well beyond the traditional components of weight loss.

Solutions for living, however, are not the only solutions involved in the planned expansion of this innovative franchise. Butterfly Life has chosen CheckFree to be its exclusive software provider for Health and Fitness business solutions. CheckFree's RCM software is designed specifically by CheckFree's Health and Fitness Division to provide health and fitness management solutions in

order to achieve a health club's business goals. Drawing on over 20 years of experience, RCM leads the industry by combining electronic funds transfer with such added features as membership accounting, tracking of club usage by members, a membership database and even marketing tools.

The RCM offering includes operations analysis, multi-site and multi-systems analysis, wide area network (WAN) design, software deployment strategies, application integration, contingency planning and customized systems administration training. In every aspect of the business from front desk check-in to member services to financial management, CheckFree's RCM solution can help guide health club industry professionals to a more efficient operation of their health and fitness clubs.

To speak with a health and fitness business solution expert from CheckFree call 800.242.9522. To speak to one of the industry experts on Butterfly Life's management team, please contact Aaron Temples at 678-375-4039 or aatemple@checkfree.com.

...Insider Speaks

continued from page 6

The next day he returned home and as he is walking into his lonely home a voice, his voice, is reciting a series of comments he is thinking about how his life has been an utter waste. "42 years of marriage gone. Wife having an affair 25 years ago. Daughter married against his objections and hates him now because an apparent lifetime of neglect of her by him and because of his objections about her new husband the night before the wedding." He is totally despondent until he opens the first letter on a huge stack of mail. It is from a nun that is in charge of care for the orphan Ngodu in Africa.

You Make A Difference!

Now comes the end of the movie and my very important message for YOU. The closing scene shows Schmidt sitting at his desk in his study, opening Ngodu's letter. The nun wrote a wonderful letter of thanks and appreciation to Schmidt for his adoption of and his agreed future

support of the little six year old orphan boy, Ngodu. She then closed the letter with, "Ngodu cannot read or write but he loves to paint and he has painted a picture for you, Mr. Schmidt, and it is enclosed." Schmidt opened the folded piece of paper with Ngodu's painting on it and there were two figures. On the left was a stick figure of a man with a big round smiley face. The adult male figure's left hand was reaching downward and out to a little stick figure boy with a smiley face. The adult stick figure was holding the little boy's hand which was extended upward. At the moment of viewing this little painting from Ngodu, Schmidt broke down crying and the movie ended with him in tears. His tears were tears of joy as Schmidt seemingly realized that he actually HAD made a difference in someone's life. What a sad plight, but one that some live with. That is thinking you have lived an entire lifetime WITHOUT MAKING ANY DIFFERENCE!

The message I have for you from this story is this. **YOU Make A Difference!** In stark contrast to the despondent Warren Schmidt, stop and think of what a HUGE difference your

work in your club makes for people everyday! Stop and think what this planet would be like without exercise and disciples of fitness and health such as you are. Stop and think how blessed your members and their families are because of your efforts. Stop and think about the difference you make for their employers. Helping other people better themselves and to perform better and with more energy at work. Helping them everyday to become better for themselves, better for their families, better for their employers, and better for their country. Stop and think how blessed you are to be doing the most **wonderful work** there is on this earth... the work of helping millions of people around the planet earth become better people. Never forget your blessing... and always go to work with a smile on your face and a happy heart, because you have something to live for every minute, every hour, every day, every month, every year, that just a few people in the world have to live for. You are **making a difference in people's lives**... that is priceless and you should live in peace and joy everyday. You should never have a bad day!
God Bless You All.



SPRINGFIELD CORPORATION

Full Line Stocking Distributor Providing Quality Sales and Service for the Club and Hospitality Industries Since 1981

THE SUPPLIES YOU NEEDED ...
YESTERDAY!!

Towel Purchasing & Resupply

- ✓ Health & Athletic Clubs
- ✓ Satisfaction Guaranteed
- ✓ Quality Products
- ✓ Competitive Prices



Commercial Products
 Authorized Distributor

Come By and Visit with us! - IHRSA Booth # 1803

** Look For Upcoming Specials from Springfield Corporation in Club Insider **

iHRSA

Associate Member

Call (800) 241-2081

David G. Smith x122

For Answers and Current Products List

SPRINGFIELD CORPORATION
 ATLANTA, GA
 (770) 729-0700 x122
 FAX: (770) 246-4455
 DSmith@SpringfieldCorp.com

REGISTER BY FEBRUARY 15 AND SAVE \$50



New Sessions and Opportunities

FOR INDEPENDENT CLUB OPERATORS:

- ◆ Networking Forum with IHRSA Board, Tuesday 3/22 at 4pm
- ◆ Fair Competition Forum
- ◆ Forums on Sales, Service, Human Resources, Marketing, PR and Programming
- ◆ "Owning and Operating a Small Club in a Small Town"
- ◆ "Creating Leaders in Your Club"
- ◆ "Pilates for Profit" (panel discussion)
- ◆ "How to Capitalize on the Obesity Epidemic"
- ◆ "Retention is a Team Game"



PLUS: Get ready for **GET ACTIVE AMERICA!** with an exciting Kick-off Rally Monday at 6:00pm.

REGISTER BY MARCH 15th AND SAVE \$50!

FOR MORE INFORMATION OR TO REGISTER:

- ◆ Call Member Service at **800-228-4772** or **617-951-0055**
- ◆ Visit **www.ihrsa.org/ihrsa2004**



THE INTERNATIONAL HEALTH, RACQUET & SPORTSCLUB ASSOCIATION

...Gordon Johnson

continued from page 3

facturing. Tell us about that.

A. After I left active duty I went back to Georgia Tech and earned my Master's Degree in Chemical Engineering. Over a period of the next 5 years I held several chemical engineering jobs. Then, of all things for a Chemical Engineer, I went to work for a wire manufacturing company located in Carrollton, Georgia. I was with the company for 20 years as we grew from \$65 million sales to \$800 million sales eventually becoming Executive Vice President of Manufacturing. I was very fortunate to have the founder and President of the company, an entrepreneur and genius, as a mentor. It was a phenomenal business experience.

Q. You have a very interesting

background, Gordon. How did you get into the health club business?

A. During my last few years with the wire manufacturing company, as kind of an avocation, I started a club called "The Racquet and Fitness Club". You may remember it Norm. You and Rich Boggs and Ray Irwin had opened Court-south in Atlanta a few years before that. You all were members of an organization of clubs that later combined with another group to form what is now IHRSA.

Club Insider- Yes, Gordon, that group was called the National Court Club Association (NCCA), and we combined NCCA with the National Tennis Association (NTA) to form the International Racquet Sports Association (IRSA) in 1980. I was very honored to be the last President

of NCCA in 1980 and a Co-founder and the 1st President of what is now IHRSA in 1981. (It was called IRSA before the H was installed in 1994).

Johnson- The club became more than an avocation for me and I enjoyed it a great deal. I got involved initially because of my love for tennis and beginning interest in handball, which led to racquetball. We entered the fitness world with six racquetball courts and a Nautilus circuit. After almost getting my plow cleaned when racquetball faded, I began enjoying the business and seeing the business potential so I decided to go into the business full time. In 1984, five years after I opened my first club in Carrollton, I made the plunge.

So, I opened a club here in Douglasville, Georgia called the "Douglasville Health and Athletic Club" in 1984. I made the decision in 1996 to become involved with the Gold's Gym name and my club has been a member of the Gold's Gym "Family" since then. An interesting thing transpired when we started off. We had purchased a small "aerobics" club and used it as what is now called a "Pre-sale or preview Center." By today's standards, our pre-sale for my "Douglasville Health and Athletic Club" was very successful as we opened the doors to the full facility with 1500 members, which was a great way to start!

Club Insider- That's terrific. You were off to a great running start and you haven't slowed down yet!

Johnson- we've just entered our 20th year of operation this year and we will celebrate our 20th Anniversary on December 17, 2004.

Club Insider- Congratulations Gordon to you and your terrific Team!

Q. Gordon, you're now the proud owner of three Gold's Gyms, two in Douglasville and one in Marietta, GA. When and why did you make the decision to convert to the Gold's Gym brand?

A. We made the decision for the conversion to Gold Gyms in 1996. The short answer to your question about why we made the conversion to Gold's Gym is that IHRSA had impressed upon me and made me very aware of the importance of branding. When it became necessary to brand our



(L to R) - Skip Johnson, Tom Butler, Gordon Johnson & Leslie Austin

club, the Gold's Gym brand was in my view the best one and most recognizable available. I talked to a lot of owners like myself that had gone from family type clubs with no name, so to speak, to Gold's Gym and I got nothing but positive responses all along. We studied all the pros and cons and talked with our staff and they were all for it. I made one last trip to Venice Beach, California to talk to the franchise people out there. Every reason was positive to do it. So, I got back on the airplane to Atlanta and had my pros and cons list in front of me and had 20-pros and 3-negatives. But, one of the negatives on the list was that the owner, me, just didn't want to do it. I just didn't want to give up my original name that I had worked so hard to build. I didn't want my success attributed to Gold's Gym. I closed my books and said to myself, "I'm not going to do it. It is my prerogative, my company and I'm not going to make that decision. I'm not going to do it." So, I got up from my airplane seat and picked up a copy of Money Magazine and there was an article in it by Peter Drucker, the Dean of Management Consulting and one whom I had studied for years. The article there was "Why Small Businessmen Fail". I thought, well, that is interesting. So, I started to read through the seven reasons small businessmen fail. The first was paying attention to profits instead of cash flow, I said I'm O.K. there. I read through the rest and gave myself passing marks until I got to the last item. According to Drucker, the biggest reason that small business owners fail was because they did what *they* wanted instead of what the market wanted.

Club Insider- That must have hit you right between the eyes!

Johnson- Man, it did hit me right between the eyes. I got home and I called my son, Skip, and said, "Skip, we're going to go over to Ruby Tuesday's and have lunch and we are going to make a decision on this and we're not going to look back! So, we met for lunch, made the decision to take the Gold's Gym license and we haven't looked back since. Simultaneously, we did a million dollar renovation. We were selected as the Best Gold's Gym New Franchisee of the year and by 1997, the following year, we doubled our profit! People loved the name and we did not lose one member to the feared "muscle-head" image. Not one!

Club Insider- That's really a terrific story. Clearly you've made some terrific decisions in your club career and it looks like your decision to switch to Gold's Gym brand was, has been and will continue to be a great decision.

Johnson- Yes. And, one of the things a Gold's Gym owner told me to do was to test the name by going into a town that had a Gold's Gym in it and stop to ask someone at a service station if they knew where a gym was. I did that six times in six small towns. Every time I did it, a stranger would say something like, "Yeah, there is a Gold's Gym down the street." People knew the name.

Q. Gordon, you're now the proud owner of three profitable Gold's Gyms, two in Douglasville, Ga. about two miles apart and the third in Marietta (both Atlanta suburbs). Describe your Hospital (See Gordon Johnson Page 12)

JLR Associates announces the placement of

Kevin Byrket General Manager Paradigm Sports Clubs

Whether you are seeking employment or are in need of qualified candidates to fill your vacancy, JLR Associates can meet your needs. We specialize in executive recruitment for the fitness, health and wellness industry.

For all your employment needs,
contact JLR Associates!

Jeff Randall
781-431-0868
jr@jlrassoc.com

www.jlrassoc.com





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

...Gordon Johnson

continued from page 10

Drive first location for us.

A. We have a freestanding 25,000 square-foot facility situated on 5.5 acres with five outdoor tennis courts, outdoor sand volleyball and outdoor basketball. We have a pool with a covered atrium. On the inside we have racquetball, a large group exercise room, a "Lady Gold's" women's only workout room with strength and cardio equipment, a main exercise room with strength and cardio equipment, a free weight room and a separate workout room called "The Retreat." We have tanning, child care, whirlpools and steam rooms. We have parking for about 250. In 1996-7 we were among the first, probably the first Gold's Gym, to have a women's-only facility within the gym. We also created "The

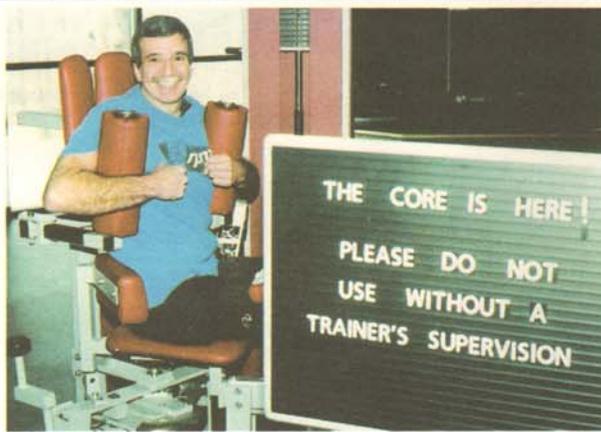
Retreat" which was featured in "Cooking Light" magazine, along with The Marsh, as one of the three unique club features in the U.S. "The Retreat," is an elegant workout area where only classical music is played and featuring sweeping views of our gardens, tennis courts and gazebos. It is a place of soul restoration. Our tennis program under Partner and son Skip Johnson and Tennis Director D.C. Herendeen, is among the best in Atlanta. With only 5 courts we have three pros and several assistants, have a Children's Tennis Academy, host about 20 USTA and ALTA league teams, have intra-club leagues, teach an annual off-site High School coaches clinic, host a major fund raising charity tournament annually and Skip and D.C. participate in USTA governance. I wish we had room

for 20 courts.

Q. Describe your Chapel Hill and Marietta, GA. locations?

A. Our Gold's Gym on Chapel Hill Road is a 20,000 sq.ft. free standing building dedicated to Group Fitness. It is really an expansion of our first location separated by a Regional Mall and two miles. Last month 57% of the members who used this facility participated in Group Fitness. People interested in Body Training System's Group Fitness come from around the world to see our 4,000 sq. ft. group fitness room which has a 35 ft. ceiling, expansive window views of the two 110-year old oak trees that we saved and a sound system that transports one to great experiences. We also have an RPM (cycling) room of 400 sq.ft. with 30 bikes, a rock climbing wall and selectorized and free weight areas. Downstairs we have a cardio room along with Cardio Theater and our child care and dressing rooms. As in our Hospital Drive location we have the ClubCom Gold's Gym entertainment network. Just this year we purchased the five-piece "The Core" from Joe Cirulli and the member reception to this five-piece core strengthening system is phenomenal. We see a whole new market with this system.

Our Marietta location is currently 12,000 sq.ft., is 10 years old and the birthplace of our involvement with Body Training Systems and group fitness. Two years ago LA Fitness put up a 42,000 sq.ft. sportsclub less than one mile from us. Our "muscle misers" left but with the strategy of great service and great group fitness, we suffered, recovered, grew and expanded to a second Group Fitness room. Over half our gym visits are group fitness. We are currently building a 26,000 sq.ft. gym to replace the smaller gym. It will open in the second quarter of this year. Our goal with this gym is to reach 65% group fitness attendance. It has a 3,600 sq.ft. studio for Body Pump and other large programs, a 1,600 sq.ft. "soft" studio for Body Flow and other smaller programs and an 800 sq.ft. RPM (cycling) studio for 45 to 50 bikes. We will also have the best in strength and cardio equipment by LifeFitness, a large child care area, dressing rooms, "Lady Gold's" with a separate entrance and the Gold's Gym Entertainment network by ClubCom. In addition to the branded Body Training Systems group fitness



Steve Pacheco - GM - Gold's, Chapel Hill Using MEDX Core Spinal System

programs, we will have Healthy Inspirations, a weight loss franchise we have been involved with for two years, and we will install "The Core." The gym is next to a 22-screen Regal Theater at an intersection with a combined traffic of over 65,000 cars per day. To say that we are excited is an understatement.

Club Insider- I might add that your group exercise room at the Chapel Hill location is one of best group ex rooms I have seen anywhere. High ceilings, great lighting, terrific teaching platform, lots of sunlight and a killer sound system. Johnson and his project manager, Steve Pacheco, was assisted in the design of the room by Body Training Systems and the numbers they are producing there through BTS are amazing. Read on.

Q. Gordon, how many members do you have now?

A. We have about 8,500 members in the three gyms right now. We do not deep discount for the second or third family member. Our rates are \$44-\$49 per month for the head of household and \$34 per month for the second adult, less for children 16 and under. We encourage family participation. Our Enrollment Fee is \$89 for the primary member and \$60 for the second adult. We try to price our memberships for broad community participation and to allow us to get a fair rate of return of 25 to 30% EBITDA. We are priced below comparable quality clubs in Atlanta but we want the middle income family to afford our gyms.

Q. You have two sons, Skip and Scott, who work full time for you. Tell me about them and how it is going?

A. Well, I first need to reconize my wife, Shirley. Shirley is my principal partner, legally and in spirit, and has been my common sense advisor. She does not take a part in active management. She only makes her presence known to me and I mean that in the most complementary way. She sees that the emperor's finery does not exist. Her greatest contribution is that she keeps my feet on the ground when my head is in the clouds. She's a phenomenal judge of character. Our oldest son, Skip, has been with the business since we began here in Douglasville nearly 20 years ago. He started as our tennis pro in Carrollton and then developed our tennis program here. He was an excellent college player, the captain of his team, and he played for a while on the satellite circuit enjoying world-wide travel. He had recently finished college just before we started in Douglasville. He served really well as our tennis pro and Director of Tennis. He progressed through the pro ranks and eventually got into management. He is now our Regional Director of our Chapel Hill and Marietta gyms. Son Scott came to work with us 3 years ago between job changes to see if he would like the business. I asked him to try it since it might be the last opportunity if he got involved with another employer. I believe he enjoys it but the frenetic pace of gym life bugs him from time to time. Scott, like Skip, is very people oriented and he also has a strong orientation to facilities, numbers and finance. He is very well organized. He and Skip make a great, complementary team. Skip and Scott and I have a good working relationship. If I aggravate them they are pretty moderate in their response. They don't take advantage of our (See Gordon Johnson Page 16)

FRIDAY REPORTS

Weekly Marketing Insights
For The Club Industry

9 Years, Nearly A Decade
Subscribe Now, Call
800-778-4411

▶ Immediately-usable marketing action ideas in each issue — in your hands every Friday morning by Fax!

▶ Only \$179.00 per year (Less than \$3.50 per week).

▶ Fax to: 212-987-4227 (Ask for a sample issue)

A PUBLICATION OF CLUB MARKETVISION

177 EAST 87TH STREET, SUITE 301, NEW YORK, NY 10128
mgmvision@aol.com

Two great new resources from National Gym Supply.

Parts Resource Book 2003

Your #1 Source for Replacement Parts
and other gym essentials!



New:

- * Lifesride Nextgen
- * Expanded Ellipticals
- * Expanded Electronics Repairs
- * Complete E-Commerce Service

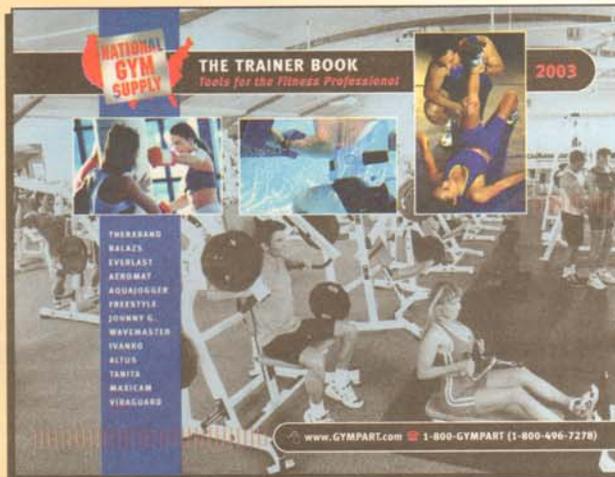
Your tried and true source for:

- * Replacement Parts
- * Electronics Repairs
- * Top Technical Support
- * Invaluable Schematics



The Trainer Book

Designed for you, the fitness professional!



**Includes the finest
product accessories for:**

- * Aquatics (AquaJogger)
- * Fitness Boxing (Balaz, Everlast)
- * Body-Weight Resistance Training (Balaz, Everlast)
- * Rubber Resistance (TheraBand)
- * Stability Exercise (TheraBand Slow Deflate System)
- * Group Exercise & Yoga (Aeromat)
- * Group Cycling (Polar, Team Schwinn, Blast)
- * Fitness Watches (Freestyle, Timex)
- * Weight Room (Ivanko, Platamate, Maxicam)
- * Locker Room
- * New! Charts & Signs

AQUAJOGGER

BALAZS

EVERLAST

IVANKO

FREESTYLE

TANITA

Thera-Band

Thera-Band

Check 'em out online – www.gympart.com

Or call today to order your copy of our 2003 Parts Book and 2003 Trainer Book!

☎ -800-GYMPART (1-800-496-7278)

...2003 In Review

continued from page 3

Arizona. This article tells the reasons why Behan and Eker became involved in Wilson's "Healthy Exercise" franchise program. Our page four "Insider Speaks" chronicled our 10 Years and Counting! journey of The **CLUB INSIDER** News. It is hard to believe we've been at this every month for ten years and five months now! And, we sincerely thanked everyone that has made it possible including those on the Faust Roundtable #1 who helped us create the idea, the mission and the content of The **CLUB INSIDER** News, our terrific advertisers whose dollars made it possible every month, our paid subscribers, our Contributing Authors, my son Justin, whose tireless and creative work has been hugely

instrumental, John McCarthy and his terrific IHRSA Team, Ron Hudspeth and Cathy Brown of Atlanta's Hudspeth Report, my Dad and his wife Louise and, last but not least, my brother David. Were it not for all of the people above, I seriously doubt that I'd be sitting here writing this "2003 In Review" report for you.

Club Industry Magazine bestowed its first ever "Lifetime Achievement Award" on publishing icon and legend Joe Weider, "The Godfather of Bodybuilding."

We reported the results of NPD's recent announcement in its Annual Eating Patterns Report published in the Wall Street Journal. The NPD Report stated that Americans lost weight for the first time in years. It also stated that sixty-six percent of those surveyed said that they are

exercising strenuously at least one per week! My question of the NPD now is: "Which America was this survey conducted in and by whom?" We reported about Doug Levine, the Founder of Crunch Fitness starting a new company called: PUSH.NET, that produces monthly specialty fitness training CD's and is distributing them worldwide. We shared the news that Jim Gerber and Pete Jones' new club in San Diego is going gangbusters and had reached 3,000 memberships as of the Fall of 2003. Annbeth Eschbach's Exhale Spa had a grand- Grand Opening Party in New York City that was attended by several thousand people. We wrote about Dr. Kelly Brownell's speech at Club Industry in which he summarized facts and figures from his new book "Food Fight" that was diametrically opposed to the information published in the NPD Report published in the Wall Street Journal. Brownell is the Head of the Yale University Weight Management and Obesity Department. We reported that WOW! Workout World had signed a franchise and area development agreement with Velocity Sports Performance, a specialized sports training company based in Alpharetta, Georgia. We published an announcement by the Sports Club Company that they have "set aside" their previously announced intention of "going private." We also shared what still at this time is speculation that several big time players are planning on going public in 2004. Amongst those mentioned were: LifeTime Fitness, TSI, 24 Hour Fitness and LA Fitness. Stay tuned.

We published articles by Karen Woodard on "The Role of the Membership Representative in Membership Retention", an article by Michael Scott Scudder entitled: "small WORDS-BIG ADVICE- DON'T TRY TO COMPETE ON PRICE.", an article by Cecil Spearman entitled: "Women's Only" Fitness and a book summary by yours truly entitled: "Sleeping With The Devil."

November 2003

Our cover subject for November was Jim Smith, one of the health, racquet and sports-club industry's best educators. Jim is the Founder, President and owner of The Peak Performance Network. Our cover story on Jim and his Peak Performance

Network shared his great career success in the most vital area of helping clubs be more profitable and successful. His company is a multi-faceted organization offering the always excellent monthly Club Success Journal that features a "faculty" with some of the best contributing authors in the business. His organization also includes services for clubs in the areas of direct marketing, sales training, sales management and weight management programs, to name a few. Jim Smith's Peak Performance Network was honored as IHRSA's "Associate Member of the Year" in 1990. The industry is fortunate to have organizations and publications like IHRSA, IHRSA's CBI Magazine, Club Industry and its Club Industry Magazine and Fitness Management Magazine teamed with Jim Smith's Peak Performance Network to constantly bring new ideas, concepts and professional education opportunities to the health, racquet and sportsclub industry. The **CLUB INSIDER** News views these organizations as "partners" in the quest for health club industry excellence, we support them all. And, we strive to add to their efforts with our own club business educational and editorial content. In addition to Jim Smith's cover story, our page three included a headline story about club industry icon, Joe Cirulli, acquiring the worldwide rights to The Core Spinal Fitness Systems by MedX. (See Core Systems outside back page four color ad.) In addition to operating the world class Gainesville Health and Fitness Centers in Gainesville, Florida for close to 30 years, Joe Cirulli has found time to take on the MedX Core Spinal Fitness Systems and he is off and running with this program. I, for one, have experienced the "miracle" of obtaining results from Arthur Jones' amazing MedX Lumbar machine as this machine totally

eliminated a serious lower back pain resulting from a rear-end auto accident I and my son were in on August 4, 1991. Anyone anywhere with lower back problems should seek therapy on the MedX machines.

In our November edition, we published a very kind letter from 30+ year club industry veteran and good friend, Cecil Spearman. We reported on Colin Milner's upcoming (at the time) International Council On Active Aging (ICAA) Conference in Orlando, Florida being held in conjunction with Peter Brown's Athletic Business Conference and Trade Show. The Florida Health Club Association was also mentioned as it was preparing to host its Annual Meeting Dec. 4 and 5 at the Athletic Business Show. We reported on CheckFree's new Vice President/General Manager, Matt McKernan and mentioned Barry Bleurer (20 years), Scott Manion (12 years) teaming up with new CheckFree teammates, Ron Polisen (Director of Client Development) and Robin Hollis, Marketing Manager. We added best wishes to old friend, Dick Mitchell, founder of RCM Corp. who is now with Booking Plus after selling RCM Corp. to CheckFree years ago. I addressed comments I had received about the significant amount of press coverage I had provided Ray Wilson's "Healthy Exercise" launch. Some had questioned if Ray Wilson was one of my "investors." I explained that I don't have investors, but if I did decide to take in investors, Ray Wilson would be the first person I would ask. In that Norm's Note item, I failed to mention that I did have six good friends that loaned The **CLUB INSIDER** News some "start-up" capital back in 1993. I thank each of them for that help and have not forgotten that help. In my Ray Wilson comments, I explained how important his help and the help from "Coach" Bob DelMonteque was back when The **CLUB INSIDER** News was struggling. We extended congratulations to Alan Hanford as his Penfield Racquet Club in Rochester, N.Y. was celebrating its 25th Anniversary! And, we also congratulated Dean and M.J. Kachel as they were completing their 24th Anniversary. I also sounded the alarm about Brian Homan, the fellow that made off with over \$200,000 of his customer's money collected (See 2003 In Review Page 15)

Professional Club Management

Presents

The Sales Effectiveness Quiz

How many Times do you need to fail this quiz until you take action?

1. Has your sales team been trained or retrained in the last 90 days?
Yes ___ No ___
2. Are you totally satisfied with your sales team work habits, efforts, production levels, attitude and motivation?
Yes ___ No ___
3. Do you have key result areas and accountability structures for all production staff? Do you use them?
Yes ___ No ___
4. Do you track and analyze all sales statistics and staff production daily?
Yes ___ No ___
5. Is your sales team trained and held accountable for time efficient prospecting (or just order takers)?
Yes ___ No ___
6. Do you have lead follow-up systems in place and do you regularly inspect them? Yes ___ No ___
7. Does your sales team have clear, written job descriptions, expectations, goals and well defined time frames for completion?
Yes ___ No ___
8. Does your team close sales mainly on "benefits & value"? Or just price. (Tell The Truth)
Yes ___ No ___
9. Has your sales team consistently met their goal the last six months?
Yes ___ No ___
10. Does your sales team never complain, "I don't have any leads" or "there's not enough guest traffic"?
Yes ___ No ___

Scoring: 1 Point for each "yes" answer
 8-10 Highly Effective: You are doing well. Could you improve?
 6-8 Moderately Effective: You are trying, but what would a 20% improvement do for you?
 5-7 Kind of Effective: You need a sales focus and training
 Below 5 Not Effective at all: Do something NOW! Call PCM! We can help!

PCM specializes in *Sales Production *Marketing
 *Management *Operations *Development

Do Something About it Now!

Call Today!

For PCM's Exclusive

Sales Training And System Solutions!

On-Site, Professional sales training and solutions!

Call Today To Schedule And Save \$2000!

1-800-459-6878

THE Club Insider
NEWS
 The Pulse of the Health, Racquet & Sports Club Business Worldwide
 Jim Smith's Peak Performance Network
 Rates An A+!

...2003 In Review

continued from page 14

ted by his former company, Tools Management, Inc. I expressed my and the club industry's disgust that Homan was reportedly getting back into this industry as the General Manager of a planned new club in Coral Springs, Florida called "All About Family Fitness." We provided club owners in Missouri with a direct phone number for their complaints to the Missouri State Attorney General's Office. The contact person is named Candice and when you call 573.751.9645, you should tell her you wish to speak with Ms. Kim Haddix, the Assistant Attorney General in charge of dealing with health club problems and issues in Missouri. We reported that in New York's "Daily Deal" that Gold's Gym International, Inc. was being prepared to go on the auction block. We reported that there had been no ruling in the lawsuit pitting Joe Moore's Moore's Fitness World vs. Royce Pulliam's Gold's Gyms, et.al. We mentioned that in Canada, John Fulton, a 20+ year health club veteran, had acquired Fitness

Link, Inc. a company that owns and operates 40 Express Fit locations in Canada. We reported on Paul Richard's new Five Star Rating System for his Auckland, New Zealand 10-club chain. His rating program is patterned after those in the hotel industry. We announced that Dave Taylor had left Muscle Dynamics to join BodyGuard Fitness. We closed out Norm's Notes November with Happy Thanksgiving greetings to you all and a plea to all Americans to remember our active troops, airmen and seamen and our Veterans. God Bless America!

We published additional articles in November, 2003 by Ray Wilson, entitled: "How To Succeed With The Huge 80% Beginners and Intermediate Market", by Ronda Gates, entitled: "Who's Winning The Food Fight?", and by Michael Scott Scudder, entitled: "MEMBER RETENTION in small CLUBS".

December 2003

The December, 2003 In Review Special Edition featured all 12 of our covers for the year.

In addition to our "2003 In Review" cover and page three headline story page three carried an article entitled "Health Club Leaders Launch Butterfly Life." Butterfly life is a new health and fitness franchise designed to change the way women realize weight loss and healthy living. Butterfly Life is a product of a veteran club business team including: Mark Golub, Founder and CEO and currently also Founder and CEO of Linda Evans Fitness Centers, Bruce Fabel, President, Thomas Gergley, Board Member, Mark Mastrov, Partner and Director, currently Founder and CEO of 24 Hour Fitness worldwide and Denny

Marsico, Executive Director of Fitness Services, Sharon Simon, Franchise Sales Executive and Susan Zager, Director of Marketing. The Butterfly Life group has announced 5 completed franchise sales in Northern California and Atlanta, Georgia.

Our page four "Insider Speaks" shared a very important club industry article entitled: "Electronic Funds Transfers (Protect it or lose it) by Mike Uretz, CEO, World Gym International, Inc. Mike Uretz has one of sharpest and most astute minds in the health, racquet and sportsclub industry. And, his article brings chills down my spine because if just one state in the U.S. successfully passes legislation restricting or eliminating EFT (Electronic Funds Transfers) I strongly believe it will be "curtains" for at least 20% of the existing 23,000+ health clubs in America. Last summer, I urged the health club industry to begin to regulate itself before the Federal and State Governments get more aggressively into it. Right now, the industry has a chance to take proactive measures that will help protect

"sacred cows" like Electronic Funds Transfers. But, look out for the first state legislature that restricts and eliminates EFT because it could spread to other states and even possibly the Federal Government before you know it. I urge Tom Behan and the IHRSA Board of Directors to begin discussion immediately (at least by the March IHRSA Board Meeting) to put club industry "self-regulation" measures on the top of its Board meeting agenda. The IHRSA Mission Statement says, "To Grow, Promote and Protect The Fitness Industry" and if getting the ball rolling on health, racquet and sportsclubs "self-regulation" initiatives moving and on a fast track is not "PROTECTING the Fitness Industry", I do not know what is. Or, what could be more important to the short and long-term future of this industry! STAY TUNED!

We published the great news that Bally Total Fitness had announced it is going to more "well-rounded" subjects in their advertising for 2004. Translated, "well-rounded" means: "Average people in their ads that won't (See 2003 In Review Page 30)



Coming Soon

**THE TOTAL SOLUTION
 FOR TOTAL SUCCESS**

Marketing · Equipment · Programming



...Gordon Johnson

continued from page 12

relationship nor do I. We try not to let family get in the way of business or vice versa. My Marine Corps training helped me compartmentalize business and friendship. I think they've earned their place in the business. I also think they are respected by everyone and are just part of the "Team." Of course, being part of the family, they have a stewardship and financial heritage they must live up to. There are certain things they are having to learn to take care of the business long-term that other people don't have to be involved with.

Q. Tell me about your other "Team" members?

A. I have a wonderful staff and am blessed with people of strong character and great values. I lean very heavily on Tom Butler who is a Managing Partner for our Hospital Drive location. Tom became a partner 3 or 4 years ago. Tom was with me from the very beginning and was actually the first employee after Skip. He is a really fine person. He is my peer as well as my partner. We're really happy to be able to say that Tom was IHRSA's Sales Person of the Year in 1994 and could probably earn that honor every year. Tom breathes soul into our organization.

Another key person is Leslie Austin, our Director of Group Fitness and Director of Marketing and Advertising. Leslie is a sharp, multi-talented person and a great asset to our

"Team". She has done wonders with our Group Exercise Programs working with Body Training Systems. Under Leslie, we were the Best Group Fitness Gold's Gym for 2002 and she was the IHRSA/Ace Fitness Director runner-up last year.

Steve Pacheco is Manager at the Chapel Hill gym, is our Project Manager for the new gym and was the Project Manager for the construction of the Chapel Hill gym. Steve started our modern day Group Fitness program with BTS and passed the reins to Leslie. Steve is and has been an RPM instructor of the highest caliber.

Norm, we are fortunate to have a lot of really good people on our "Team" and I wish you had the space to give kudos to each. Our 20 or so full-time people do an amazingly good job day in and day out and we sincerely appreciate their dedication and hard work. And, our 70 or 80 part-timers, including our Group Fitness instructors, do a great job too. I singled out Skip, Scott, Tom, Leslie and Steve here to mention in your interview because they are our Senior Managers.

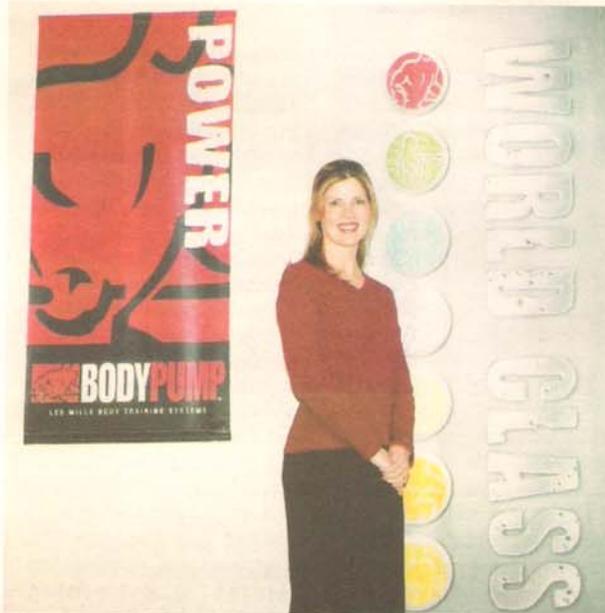
Q. Gordon, I was amazed when about a year ago when I found out you were 68 years of age. You are 69 now and you don't look a day over 55! From the perspective of your long-term plan, do you and Shirley have any timetable of when you may step aside and let Tom and your sons Skip and Scott step in at the top?
A. You know, Norm, I enjoy this business. Remember "Catch 22?"

Like "Catch 22", if they said they wanted this business they'd be crazy by definition and therefore not sane enough to take the business. Right now I'm the only crazy one. Seriously, I'd be more than amenable to turn it over if that was what they wanted, but they are all family people and don't seem to want to give mega hours to the business at the expense of their families. I enjoy this team and this business. I've let my managers run the businesses and I do the best I can to develop the business and hone the structure. I keep financial control and tightly manage the sales policy and pricing consistency. I provide a lot of guidance to our marketing and advertising. I have other outside involvements I deal with as well. And, as long as they want me to be part of the "Team", and I think I'm very sensitive to that, I think I'll stick around.

We have a 5-year plan to bring ourselves to a 5-club Gold's Gym group. We have an Area Development Agreement with Gold's Gym International, Inc. to do two more gyms in the next several years. And, once we get our new gym that's now under construction completed, we'll follow that with another one and then one more after that one. Our staff knows this. It gives them opportunity for personal growth. At this stage I can still make a major contribution because of my engineering and financial background. I think my business and industry contacts help us in terms of developing our company.

Q. Gordon, share with us your terrific and great success story you are experiencing with Rich Boggs and Ray Irwin's Body Training Systems?

A. To me, Body Training Systems is the most exciting thing to happen in the 23 years I've been in the fitness business. It has been a great pleasure to be partnering with Rich and Ray and BTS. It all started about five years ago at a Gold's Gym Convention. Rich had a Body Pump demonstration there. Our little Marietta gym was getting overcrowded in the weight room and was lacking in attendance in the group exercise room. We were looking for something to move people out of the weight room into the aerobics room. Tom Butler and I took our first Body Pump Class there at the convention and neither one of us was able to walk very well the



Leslie Austin - Director of Group Fitness and Marketing

next day. Then we found out the next day that the beautiful instructor that gave that class was a 60-year old lady! She kicked out booties! On the way back I ran into Rich Boggs, Kathy Spencer and Terry in 1998 at Starbucks at the airport. We got to talking. He was launching the business and I liked it, so I said, "Rich, if you need a club nearby to experiment with Body Pump, consider our gyms. So, we agreed and we became his "guinea pig." I told Rich I was going to do exactly as they taught us to do. That has been our partnership. I have followed his direction to the letter throughout this whole thing. I don't try to make it better. We just follow their group fitness management principles carefully, listen to them, take their music and do the best we can. It has blossomed! When we started Norm, about 12% of our daily traffic was for aerobic classes. In our Chapel Hill Gym now, 57% of our monthly attendance are people attending Body Training Fitness classes! Our long-term goal that I think will take 3 years is to have the new gym in West Cobb reach 65% of all attendance every month from group fitness!

Q. What advice would you give to anybody considering calling Body Training Systems that has not yet done so?

A. DO IT! Do it if you want your business to be better, DO IT if you want to make better use out of your facilities, DO IT if you want to make more money, DO IT if you want your members to be happier, DO IT if you want your staff to be happier, Do IT if you

want your retention to be better. JUST DO IT! And, do not improvise. Do not try to do anything differently. Just take it and DO IT!

Q. I saw the new MedX Core Spinal System equipment line at your Chapel Hill location. I have had great experience personally with the MedX Lower Back Lombar Machine. Tell me about your plan for the Core Spinal System?

A. I heard Joe Cirulli talk about the MedX Core Spinal System at one of our Faust Roundtable Meetings. As a matter of fact, I became Joe's first customer! After talking with him about it, we saw it at Club Industry. We bought it and it arrived in late December. We've been working with our members on the Core Spinal System for about a month and the reception by our members has been absolutely phenomenal! I can't believe how many people have lower back problems! We took your article and comments out of The CLUB INSIDER News about the MedX Core Spinal System and use that as a testimonial. The Core Spinal System is providing a huge boost for our business.

Q. Gordon, you lead the assemblage of Gold's Gyms owners in the Atlanta Metro area and that is going really well. Tell me about that?

A. We originally called our group the Georgia Fitness Legends and we did that because Gold's Gym had been identified as the Legends. We changed that to (See Gordon Johnson Page 20)

HealthandWellnessJobs.com

Find the Fitness Pros!

We post jobs specifically for health and fitness clubs

- Group Exercise Leader
- Exercise Specialist • Club Managers
- Personal Trainer • Pilates Instructor
- Membership Sales • Nutritionist/Dietitian
- Massage Therapist • Yoga Instructors

HealthandWellnessJobs.com

Phone: 281.794.7879 / Email:
scott@healthandwellnessjobs.com



“Customer service is a priority to our family operated fitness center. Thom's systems have allowed us to take our service to the next level, increase membership sales and rates, and enjoy increased member retention. Thanks for **all the great ideas**. Thom is the true source of information to help our business **grow**.”

THE STAN DeMARTINIS FAMILY & STAFF,
WORLD GYM, BOSTON MA

BOOKS . EDUCATIONAL SEMINARS . WORKSHOPS . PRODUCTS

*Thomas Plummer is one of the most sought after, influential educators, speakers and writers in the fitness business, Author of **The Business Of Fitness** and **Making Money In The Fitness Business***

Call now for a seminar location near you!

THOMAS PLUMMER COMPANY

Power To Make Money In The Fitness Business

START TODAY! CALL 800-726-3506 . WWW.THOMASPLUMMER.NET

Meet our partners for your success:
ABC Financial

Apex
Body Training Systems
Fabiano Designs

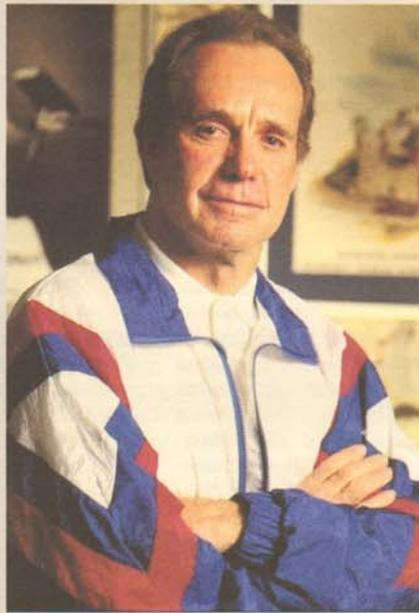
Cardio Theater
ClubCom
City Blends

FitnessInsite
Free Motion
IHRSA

NASM
Perform Better
Promocoach

Star Trac
SUN Ergoline
Susan K. Bailey Advertising

Join Ray Wilson's



Over the course of my fifty year "plus" career in the Fitness Industry, I have managed to stay ahead of the pack by recognizing the needs of the people and the times in which they live.

In the 1950's, Vic Tanny and I created gym chains. In the 60's and 70's, I created spas which the majority of the industry copied for over 20 years. In the 70's, I also designed the world famous Lifecycle Exercise Bike, which has been used by more people in fitness centers than any other exercise bike. In the 1980's, I created and developed Family Fitness Centers of Southern California and Western America. In the 90's, I created Ray Wilson's California Fitness Centers in Asia. The whole fitness industry has pretty much catered to the intimidating "hard body" market, leaving 80% of the market really wanting fitness, but no place to go! My new half hour, 30 second workout will now bring fitness to this huge market.

So, in this new Century, I believe we will lead the fitness industry with Figure Magic Express and Ray Wilson's Healthy Exercise. Join us in the next phase of the evolution of exercise.

If you are interested in Brokering, Franchising or a Fitness Equipment Distributorship,

Please contact us at www.raywilson.com or call Toll Free at 888 437 0001.

Franchises Now Available Two Concepts...Two Opportunities

Figure Magic™
Express

Reducing and Exercise Studios for Women



Women's Only Franchises

Rancho Bernardo, California
1,000 to 1,200 Sq. Ft.

FIGURE MAGIC EXPRESS

- Figure Magic is an exclusive women's exercise studio.
- The newest and most complete 16 station interval circuit training system.
- An organized program, removing all the guess work that normally exists with a traditional health club in 30 minutes or less.
- Studio size varies between 1000 and 1200 square feet.
- The studio is open during the most popular workout hours:

Monday-Friday 8:00am-1:00pm and 4:00pm-7:00pm

Saturday 8:00am-Noon • Closed Sundays

Hours may be increased at the option of the operator.

Franchise fee - \$19,995

Includes 16 Stations

Monthly Royalty fee - \$395



Healthy Exercise™



Co-Ed Franchises

Temecula, California
1,500 to 3,000 Sq. Ft.

RAY WILSON'S HEALTHY EXERCISE

- Ray Wilson's Healthy Exercise studio is for both adult men and women.
- The workout program focuses on total muscular and cardio development, completely eliminating the need for aerobics and personal training in 30 minutes or less.
- The newest and most complete 24 station interval circuit training system.
- Packages up to 55 stations, *additional equipment cost*
- The studio size can vary from 1500 to 3000 square feet.
- The size of your studio varies to your local market and investment criteria.
- The studio is open the most popular workout hours.

Monday-Friday 8:00am-1:00pm and 4:00pm-7:00pm

Saturday 8:00am-Noon • Closed Sundays

Hours may be increased at the option of the operator.

Franchise fee - \$29,995

Includes 24 Stations

Monthly Royalty fee - \$395



Latest Ventures

Franchising, Licensing, entering a Joint Venture, purchasing or just buying Exercise Equipment...



Healthy Exercise



Figure Magic Express

Debbie
"I needed a gym that I could feel comfortable enough to go to on a regular basis. After only a month, I lost 14 lbs and 19 inches."

No longer intimidating.

Dulce
"One year ago, I weighed 215 lbs. and was a size 18. Today, I weigh 150 lbs and a size 8. The key to my success has been the support I get at Figure Magic."

Barbara
"I lost 22 lbs and 17 inches in 5 months. I feel like I have my own personal trainer at Figure Magic. I feel a lot of encouragement each time I work out."

There's no confusion, you'll know exactly where to begin and where to stop.

Our Franchise Exercise Studios are Designed for Maximum Results in Minimum Time.

OWN YOUR OWN BUSINESS

Turn-key Exercise Studio... Where

- You can control your earnings
- You can make a difference in people's lives
- You can promote healthy lifestyles to women and men through our "1/2 hour - 30 second interval circuit workout"

Receive the Following Support and Services

- Guidance for site locations
- Design guidelines for constructing a studio
- A multi-station exercise equipment package
- 5 Day Training program
- Complete Operations Manual

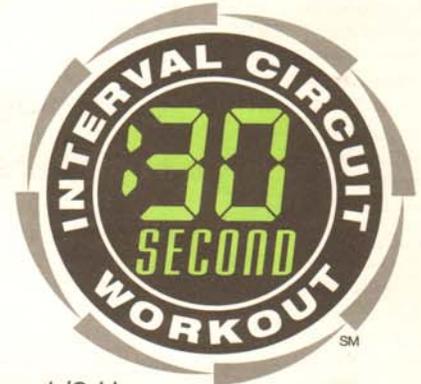
90% of Franchises remain in business. (US Department of Commerce)



Charles and Nancy
"After the cardiologist told me "you're in poor shape, you need to exercise, and you need to lose weight", we joined a week later and my body fat dropped over 7% and I lost 10 inches. We now look forward to waking up and getting to Ray Wilson's Healthy Exercise each morning."

It's quick and easy!

Ron and Mindy
"Over the years, we have experimented with different fitness programs, and have found yours is the most impressive and produces the best results. We have both lost inches, weight and improved our muscle tone. Our results are due to the ability to come in, get on the circuit and get the workout finished."



1/2 Hour

30 Second Workout!

Don't Compromise...
Healthy Exercise

"Ray Wilson"

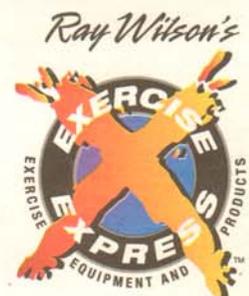
If you act right now, you can be open for January's New Year's Resolutions!

For a complete list of our equipment & prices please check our website at www.exerciseexpressintl.com

**All Pricing in US Dollars & Does Not include freight charges, broker's fee, customs, duty, taxes, etc.
Limited Time Only - Prices Subject to Change Without Notice*

1 (888) 437-0001 • +1 (619) 437-1883 • Fax +1 (619) 437-4110 www.exerciseexpressintl.com

| OFFERING BY PROSPECTUS ONLY |



...Gordon Johnson

continued from page 16

Gold's Gym of Georgia, Incorporated. (G3) It got off to pretty much a 'rag-tag' start. I was one of the Founders and there were other people involved in it. I became the first President of the group and I only agreed to do that if we made ourselves a legal corporation, so we would be bound to each other legally. We started the group in 1998. There were about 11 or 12 Gold's Gyms in Atlanta then. There are 29 now. We had some really scurrilous owners at the time and I am proud to say that we were responsible for having two of those owners having their Gold's Gyms signs taken away and having them kicked out of the organization. They were a bunch of 'rag-tag' operators selling \$99 a year memberships and they did not represent the product. We were very glad to have them out of Atlanta. Now, of all the people in Atlanta who are Gold's Gyms owners, there is not one that was a Gold's Gym owner before 1996. We've got a bunch of good gyms in the Atlanta group now. John Christiano, Chris Palmer, Mark Montgomery are great operators. Mark is the most prolific with 8 gyms and heading toward 20. And, there are two guys down south in Henry County, James Viar and Louis Governo who have three gyms. They just recently bought J.D. Holmes' three Gold's Gyms in Fayette County. That just happened on December 31, 2003. J.D. is going to stay with the G3 as our paid Treasurer. Right now, I am Chairman of the Board. The President is Joe Cunningham who serves with Board Members, John Christiano, Chris Palmer and Mark Montgomery. So, we have 29 Gold's Gyms with 12 owners involved in our Atlanta Group.

Q. Tell me about the things your Gold's group does together?

A. The team of 29 Gold's Gyms together are better than any 1, 2, 3 or 4 individual operations. As a group, what we've been able to do is have a city-wide reciprocal membership and we are able to advertise together. Each gym puts \$500 per month into the advertising, giving us about \$15,000 per month. We police each other. We have group buying strength. Vendors covet coming to talk to us because we have 29 gyms together. We educate ourselves. We have phenomenal relations between

each other. We have an annual retreat. We practice good business together. We attract people from our corporate headquarters to come talk to us on a regular basis, including people like Derek Barton and our new Gold's Gym Vice President of Franchising, Luis Campalans. I think the biggest thing is it gives us a great presence in the market. One of the things we are in the process of negotiating is to become the Official Gym of the United States Tennis Association, Atlanta Chapter. We've also made a proposal to and are hoping to work with the Atlanta Ski Club. We've had an alliance with Kroger grocery stores. Last year we were listed in the #1 position of the Atlanta Business Chronicle's list of top health club groups. We had 79,000 members last year, but we are up to 83,000 members now.

Club Insider- The Gold's Atlanta Group has come a long way.

Johnson- Well yes, it has. It has matured and went from a 'rag-tag' organization to a productive one. Rich Boggs of Body Training Systems has provided us with meeting space at their BTS Headquarters when we need it.

Q. Gordon, you've been honored several times by Gold's Gyms International, Inc. as one of its best Gold's Gyms groups. Tell me about that.

A. We've been awarded several Gold's Gyms 'Oscars for Excellence'. In 1996, we were named the "Gold's Gym Conversion Gym of the Year." In 1999, we received the "Best Publicity of the Year Award." In 2000, we received the "Team Player of the Year Award". That was for providing leadership to help build alliances around the United States. Los Angeles and Atlanta were the only two cities with alliances back then, now there are 13 areas with Gold's Gyms alliances and that award recognized our efforts traveling around the U.S. meeting with Gold's Gyms owners and sharing with them how we built our Atlanta alliance. Although Los Angeles was the first citywide Gold's alliance, we were the first ones to incorporate and really make it a structured organization. In 2001, we won the "Best Group Fitness Award" and the "Best New Gym Award" for our new Chapel Hill location.

On a personal level, a few years ago I was honored to

receive the "Mr. G" Humanitarian Award, named after Paul Grymkowski, Sr. At the time, that was probably the most prestigious personal award and I was lucky and honored to be the recipient.

Q. Gordon, as a leading Gold's Gym operator, what basic values do you hold dear?

A. Norm, I think first of all, I have a tremendous enthusiasm for this business. I like this business. My enthusiasm probably helps me as a platform as much as anything. I bring integrity. I am a person that is honest with my customers, my staff and all the people I deal with, and people I deal with know that. So, I bring that to the table. And, I think I am a good businessman. I know business and I was fortunate to have a great business, financial and planning background before I came to the club industry. I understand businesses, gyms and how to make things work. I am fortunate that I am able to articulate that. I really have the interest of teacher. I have taught at Georgia Tech. I have taught at West Georgia College, so I like teaching. I take pleasure in sharing what knowledge I have with other people. I think those are the things that I bring to the table.

Q. Gordon, you've been involved with Casey Conrad's Healthy Inspirations for 2 years now. Tell me about that.

A. I have been involved with two locations over the past two years that are not located in our clubs. One is in Douglasville and one is in East Cobb. My current interest is now on the one in East Cobb. We became involved in that business because I recognized that in the gym business we have really not done the job that we would like to do for women, particularly very overweight women. Women, unlike men, can't really lose as much weight by working out as men, simply because of the genetic and hormonal differences. Casey Conrad's program looked good to me because I could see that it was really a program designed very well for women. I came to realize that there was enough difference between the gym business and that business that they had to be separated. They needed separate management. For the last two years I have been trying to figure out how to integrate that business into a Gold's Gym. I feel confident that we understand that now and this new gym we are building in



Gordon Johnson - Gold's Gym Award Winner

Marietta will have a Healthy Inspirations component in it. It's for the woman who is significantly overweight and embarrassed to go into a gym. I think we provide the means for people to come into the facility without being embarrassed. Casey's Healthy Inspirations program is phenomenal. She has its down to the point where if you follow her instructions, it will work.

Q. You are a loyal IHRSA Member. As a 23+ year club veteran, what advantages do you regularly utilize from your IHRSA Membership?

A. I go to the conferences. I listen to the keynote speakers. I get inspired by them. I go to the classes. I gain from the people and the networking there. I gain from people like you and Rick Caro and all the great people you get to network with at IHRSA's Conventions. People like those on my Faust Roundtable that I have recently become associated with. I'd have to say that 90% of what I've learned about the club business I've learned through IHRSA and/or the people and connections I've made through IHRSA.

Q. Gordon, what would you say your "keys to success" are?

A. Well, I believe in a business plan. We've developed a good, sound business plan. I have great advisers. My old friend Frank Hucksinger was a professor at West Georgia College. He died a year ago. He was my mentor for 20 years. He helped me develop a sound business plan. We developed a business plan with integrity, we stuck with it, we follow it and it works.

Q. What advice would you give to anyone step, by step, that is considering coming into the health club industry?

A. I have given that advice to people on numerous occasions. I advise them to work in the business for as long as they can see what it is going to be like. Everybody comes from different backgrounds. Some people are in business when they come in and they think they can just hire someone to run it for them. The main thing is to find out a little bit about it before you get into it. The other thing I tell them is to join IHRSA, go to the Conventions and Trade Shows.

Club Insider- Hey Gordon, you need to add one more thing to that list above. Third, please tell them to subscribe to and read *The CLUB INSIDER* News!

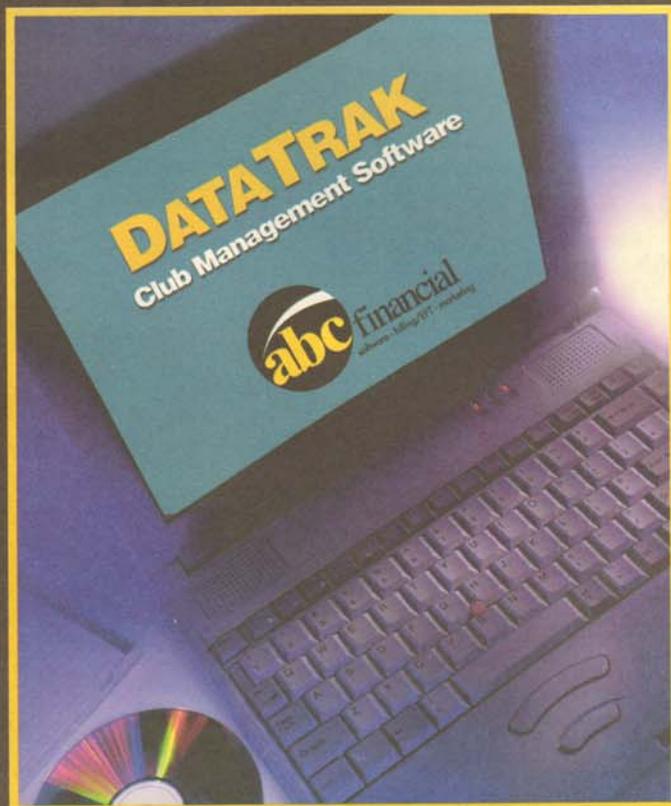
Well Gordon, this has been a terrific interview. Yours is a great success story, one of America's tops, and this is good information for our readers to learn from.

Gordon Johnson- Well, thanks. We're a small operator in the broad scheme of things, and we really enjoy what we are doing and that is important.

(Norm Cates, Jr. is the Founder and Publisher of The CLUB INSIDER News. Cates was a Co-founder and the 1st President of IHRSA in 1980/81. Cates was honored by IHRSA in March, 2001, with its highest honor, the DALE DIBBLE Distinguished Service Award. Cates may be reached at: clubinsidernews@mindspring.com or by calling: (770) 850.8506.)

Place Your Club On The "Fast Track" For Success.

With the "Complete Club Management Solution" from ABC Financial.



P.O. Box 6800 • Sherwood, AR 72124
Toll-Free 1-800-622-6290 (option 3)
Fax 501-515-5001
www.abcfinancial.com

ABC Financial Services makes it easy for you to streamline the overall operations of your club with our "complete club management solution".

DataTrak Club Management Software.

DataTrak, our proprietary browser based club management system has been built using the concept of centralized data and provides our clients a wide range of services to efficiently operate their club. DataTrak gives club owners the real-time data they need when they need it.

OnLine Club Management Center.

You can log on to ABC's Club Management Center interactive web site at anytime to view reports and update member account information. Plus, your members have immediate access to view their account balance and make payments.

Billing And Payment Processing.

Our processing division offers full service accounts receivable processing - EFT, credit card and monthly payment books. From start to finish we monitor every aspect of your members account.

Customized Marketing Programs.

Our Club Enhancement Division offers a wide range of customized sales and marketing programs designed to enhance club operations. Club marketing services include "Friends are Free", a customized referral program; "VIP Preferred Program", our exclusive member retention program, and our comprehensive membership renewal program "Renewal Plus".

“small is GREAT!”

An exclusive column featured only in “Norm Cates’ Club Insider”

By: Michael Scott Scudder

“DINOSAUR PRACTICES”

As we all begin another year in this crazy – wonderful – perplexing – frustrating – dynamic – fitness business, I thought it might be appropriate to tell you a bit about what my monthly column will focus on for 2004.

I reiterated in my final 2003 column that *I am committed to the small, independent entrepreneurs in this great business of ours becoming more successful in their endeavors and having more satisfying lives as a result.* And, as you will see in the paragraphs to follow, one of the essential facets of a successful business is what I call “Strategic Thinking.” I see all too little of that these days with most clubs that I visit or come in contact with at conferences, by phone or by email.

So, taskmaster that he is...our mutual friend Norm Cates said to me in a recent conversation that I ought to *explain* and give examples of, “strategic thinking” in the column this year. That is exactly what I intend to do...but in the spirit of enlightening fun, I am choosing to tell you in this first issue about the things that are *NOT* “strategic thinking” at all! I call them “dinosaur practices” – meaning they are outdated and due for extinction soon!

As they say in movies and TV presentations...“all of the following are fictional and if they bear any resemblance to actual experiences or daily practices of the reader, it is purely coincidental!”

Allow me to begin with a conversation I recently had for the umpty-teenth time. I get a phone call from a guy we’ll call Harold, and it goes something like this.

MSS: “Good morning, this is Michael Scott Scudder. How may I help you?”

H: “Yeah. This is Harold calling from Gezacksta Gym in Boomcity. I wanted to find out what you do.”

MSS: “Good morning Harold. I do a lot of things...work, ski, go to the movies, eat, sleep...stuff like that. But let’s start this conversation where it belongs.

Why are you calling me?”

H: “Well, I own this great gym in Boomcity, best one in town, a really great club, best service of all my competitors. I mean it’s a really super place!”

MSS: “Terrific! So why are you calling me?”

H: “Well, I think I need a few more members. And I was wondering how you can help me to get them.”

MSS: “Whoa, Harold. Let’s back up a little bit. How long have you been in business? What size is your club? How many members do you have currently?”

H: “This will be my fifth year coming up. I own and manage the club. It’s just over 14,000 square feet. I’m not sure, but I probably got about 1200 members.”

MSS: “So what’s the problem.”

H: “No problem really...just thought you might be able to help me out.”

MSS: “Harold, let’s pretend something. Let’s pretend that you’re paying me for this call – that you’re my client already. Everything in confidence. How’s that sound?”

H: “Uh...OK.”

MSS: “Harold...WHAT’S YOUR BIGGEST PROBLEM?”

H: “I ain’t making any money.”

MSS: “Uh-huh. So 1200 members doesn’t cut it as far as being profitable or you being able to take much money out of your business for yourself?”

H: “Right.”

MSS: “Harold, what did you project at this point – 4 years in business – for number of memberships in your original Business Plan?”

H: “What business plan? What’s a business plan?”

MSS: “When you originally built the gym, didn’t you put together a Business Plan, Marketing Plan, Mission Statement and budgets for your financing?”

H: “Uh, no. I second-mortgaged my house, borrowed a bunch of money from family and friends, and took in another investor. We got all of the equipment on a 60-month lease. I haven’t been able

to pay any of the investors anything back because the business has never really made any money after the first few months. We sorta get by.”

(Fade into typical conversation about planning, financing, estimating membership numbers, pricing, retention, budgeting, etc. Harold, like many other nice people in this industry with very good intentions, has no clue on how to run a business and is just worried at this point about keeping the doors open. He is looking for what I irreverently call a “savior job” – “somebody please come in and save me.” THE REVERSE OF THIS SCENARIO IS SUCCESS FROM “STRATEGIC PLANNING” – what we will discuss together this year in this column. But first, a look at business practices that are likely to get YOU exactly where Harold is.)

SCUDDER’S TOP ELEVEN “DINOSAUR PRACTICES OF FAILING BUSINESSES” (OR BUSINESSES THAT WILL LIKELY FAIL IN THE NEAR FUTURE):

- No Business Plan.
- No Marketing Plan.
- Underfinanced and over-leveraged.
- No ongoing Competition Analysis... thus no comprehension of appropriate pricing.
- No Mission Statement.
- No Local Fitness Market Summary...thus no understanding of demographics and how they apply to a business.
- No Risk/Reward Scenario.
- No Budgeting.
- No Pro-Formas for first three to five years of operation.
- No Profit Center plans... thus totally reliant on memberships to carry the load.
- No job descriptions with employment agreements.

These are just some of the “Strategic Thinking” practices that we will address in the next ten months of this column... not necessarily in the above order. But let me take you back to another piece of the conversation with Harold.

MSS: “So, Harold, we’ve spent

about an hour talking about a number of things. What are you going to attack first?”

H: “Well...I just can’t help but think that if I just get somebody in here to help me sell some more memberships, my problems are solved.”

MSS: “Harold. Your problem is *not* new memberships. From what you’ve told me, you’ve sold plenty of new memberships... you haven’t *retained* enough members. And you haven’t retained them because you haven’t planned your business out. What you are telling me is that if you just sell a few more new memberships every month...what you have been doing for four years...that suddenly all your business woes will end. Can you see that that is just “more of the same?”

H: “Whadya mean?”

MSS: “Harold, you’re doing the same thing over and over hoping to get a different result. Your reliance on new memberships is not a workable business strategy...yet you insist that following it, and getting somebody to help you get a few more members every month, is going to somehow, suddenly, one of these months, show up as a successful strategy. Did you ever hear the story of the mouse and the cheese?”

H: “Huh?”

MSS: “This guy owned this great trained mouse. Could get it to do just about anything a mouse can do. The guy built this maze for the mouse to go through, and he put cheese at the end of the maze as the reward for the mouse doing his tricks. When the mouse had done a trick, the guy rang a bell, and the mouse went to the end of the maze for the cheese.”

H: “Yeah?”

MSS: “Well, Harold, one day this guy gets the bright idea that he can save money and still get the result. So he stopped putting cheese at the end of the maze, but rang the bell each time the mouse did the trick. The mouse went to the end of the maze, but no cheese.”

H: “So the guy was successful, right.”

MSS: “No Harold.”



Michael Scott Scudder

H: “Why not?”

MSS: “The mouse eventually died of starvation.”

MSS: “Harold...you’re the mouse...and the guy. Can you get that? If you don’t change your practices...if you don’t stop *doing the same thing and hoping for a different result* – your business is gonna die. Ain’t a question of IF...just a matter of WHEN.”

I hope the above “conversations with Harold” sheds some light on YOUR situation. IF it struck home in any part for you...YOU HAVE SOME WORK TO DO in 2004. And I will help you to do it in the next ten issues of *The Club Insider News*.

Until next month –
 MICHAEL SCOTT SCUDDER

(Michael Scott Scudder, a contributing author for “The Club Insider News,” and the subject of January’s “Insider-cover Interview,” is a three-decade veteran of the fitness industry. He heads a club management training company based in Taos, New Mexico and Fort Worth, Texas, offering regional-city one-day seminars and an intensive 2 ½ -day workshop on personal and group training in home headquarters of the Fit For Life Centers in Texas, of which he is a partner. He can be reached at 505-690-5974, by email at scuddertour@directway.com or at his web site, www.michael.scottscudder.com. Comments and questions are welcomed and encouraged.)

Make
 It
 Fun!

DESIGN NO. 87
RUEZ-45

DESIGN NO. 55
OMEZS-45

DESIGN NO. 43
OMEZH-45

DESIGN NO. 71
ROEZH-45R
ROEZH-35B
ROEZH-25Y

DESIGN NO. 62
ROEZH-45

WHO WANTS TO LIVE IN A ONE-SIZE-FITS-ALL WORLD?

Each club has a unique vision of how to differentiate their facility and equipment from the club down the street and across town. That's why Ivanko offers the industry's broadest assortment of original, patented designs and vibrant visual looks. Club owners and members tell us they appreciate the clean eye appeal almost as much as the superior performance, safety, and durability. Available in pounds and kilos, what you see and feel in Ivanko plates comes from 36 years of thinking outside the one-size-fits-all world.



See your rep for
IVANKO'S PLANOGRAM
to help you determine the
proper amount and ratio of
Ivanko plates to your equip-
ment

IVANKO®
Engineered Passion

How to Attract the Overweight Population

Part II of Three

By: Donna Krech

We established the facts with statistical back-up in Part One of this article. The overweight market needs us but isn't coming to us. Most fitness club members already truly understand that fitness is the key to their successfully maintaining a healthy weight. The overweight person, however, doesn't want to hear this, so doesn't come. And if they do come, IHRSA stats reveal they're usually included in the ones we lose to attrition. Today, I'll spell it out for you. Follow these 10 very simple guidelines that have been successfully proven over and over to bring the overweight market through the fitness doors since 1994, and you'll not only attract them, you'll keep them and have created a new fitness member in the process.

- You'll attract the overweight market when you market to that market. Know who your desired member is. They're NOT your fitness prospect! What are they doing right now? They're eating out, they're involved in sedentary organizations, many of them are at home, involved in nothing outside of there and work. Know their wants and needs, not their age! You're not marketing to a certain age demo. The overweight market is all ages. Go to those who need results. Attend events they attend. With regard to advertising, announce the best features of your program, but always focus most on benefits.

- Know that a picture is worth a thousand words! Know how to connect with that desired member. Stories sell... facts only tell. Use real members and make sure they're people your prospect can relate to. NO hard bodies!

...Precor

continued from page 3

with proprietary technology enabling facilities to customize content as well as prepackaged ads promoting in-house services.

Precor is purchasing ClubCom's technology and content divisions, while ClubCom's advertising division is being spun off as a separate company owned by a group of ClubCom investors. In addition to the in-house promotional

The overweight market already doesn't trust us!! Make it believable by making it real!

- Know that it's not about product, it's about people. That will cause your prospect to take action. It's not 20 years ago anymore. Your prospect has tried the magic potions, pills and boxes of food they buy from you. They're smart and they won't respond to that. A program based on a member's needs WON'T be one that's product intensive. Put focus on each member's goal individually. As a businessperson, realize that your program/product mix is key in determining your net profit. We suggest 65/35.

- Focus on long term gain... in knowledge and behavior change that is. The best plan is one a person can stay on for the rest of their life. If they can do it forever, that's how long their weight is going to stay off! This isn't rocket science, folks. It's simply about doing the right thing.

- The business adage is true. The first rule of real estate is location, location, location! Face the facts, any person is more comfortable being dealt with in a way they're most comfortable with, this does not exclude our overweight friend. UP TO 96% OF THIS MARKET ISN'T COMING IN TO THE CLUB BECAUSE IT'S INTIMIDATING AND UNCOMFORTABLE FOR THEM! They want and need a safe, comfortable, non-threatening environment to come to. Privacy is needed so a separate area, away from all the work out hubbub is best. A separate entrance is great! Are you willing to make the small investment of creating a door if it will make you the place to come for answers to weight loss woes? This offers the highest degree of comfort for the prospective

member and the highest profit for you!

- As Fitness Pros we have to *shape up* our attitudes about overweight. We have to see the weight loss member differently than we see the fitness member. They've avoided us because we haven't made ourselves accessible or appealing to them. Meet them where they're at, build a real relationship and educate them on why they're losing as they're losing. Get them moving just a bit more than they're moving now... THEN, guess what? They'll fall in love with fitness! If this is done correctly, not only will the overweight population decrease, but our fitness facility memberships will absolutely SOAR!

- Stick to the basic food groups, so a livable change can take place. Use all foods groups so a member can eat his favorite foods... (including the occasional junk food group). When they stick to it, they'll follow it, and when they follow it they'll lose. When they've lost using their favorite foods, they keep the weight off! When they've lost eating the pre-packaged stuff, the weight comes back immediately

UP TO 96% OF THIS MARKET ISN'T COMING IN TO THE CLUB BECAUSE IT'S INTIMIDATING AND UNCOMFORTABLE FOR THEM!

when they go back to real foods. I've been watching this happen for over 20 years! We need to give people real food, delicious food that they buy at the grocery or in a restaurant. PRE-PACKAGED STUFF MAY MAKE YOU MONEY- IT WILL ALSO HURT YOUR LONG-TERM REPUTATION!

- Choose life (style that is) over food choice reorganization! Long-term weight loss comes from behavioral change. It has very little to do with food.

Know that emotional reactions, mental habits, social patterns and environmental factors affect weight MORE than food!

- You must offer a result-producing program. You do not need a nutritionist on staff! Your members want results! They care that the program offered is safe and livable. They DON'T care if a nutritionist administers it. All you need is to be sure you've got access to the proper person with the proper credentials so you're within the guidelines the law requires.

- For maximum prosperity for everyone, you must know the fitness of business as well as you know the business of fitness. Know how the business day should flow, don't just wait for something to happen. Know what the business's stats *should* be, so you can set standards to live by.

"Okay Donna," you say, "these guidelines are good and definitely helpful. So how do I apply them? What steps do I take if I want to do this?" Glad you asked! Tune in for the next issue and I'll give you step-by-step instruction on how to implement weight loss now. As for today, you need to do only three things. One, believe that a weight loss prospect is different from a fitness prospect, and decide that you want to help him climb that mountain and take in that spectacular view by meeting him where he is at. The bottom line for true success is that you *get it*, that you understand the reality that the individual who needs help losing weight is different from the person who wants to join an exercise facility. Two, follow the 10 guidelines above and have a meeting with your management team to strategize and plan the options of possible directions you may want to go. Lastly,



Donna Krech

remember a vital key to your success is to get together with someone in a company who's had success in weight loss. Interview him and visit one of his facilities if at all possible so you can glean a real perspective on what's going to be the right concept for you. There are many truly wonderful companies to choose from. I've been in the business long enough to know a lot about most of them. Let's do something about getting this overweight epidemic beaten now! Make the decision today to at least probe the idea of expanding your areas of expertise... your profit margin will expand in the process!!!

(Donna Krech is Co-Founder and CEO of Thin&Healthy Weight Management, author, speaker and Life Success Expert. Thin&Healthy, a company which owns and licenses its business concepts internationally, was founded in 1994 and has successfully combined fitness and weight loss since that time. Donna's industry career began in 1982 and has included all positions; from group fitness instructor to licensor.

advertising, external advertisers can purchase spots within ClubCom programming.

Cardio Theater is the market leader in video and audio systems used within clubs and fitness facilities. Precor's goal is to elevate Cardio Theater's responsiveness to customer needs, manufacturing to rate-of-demand, and product quality to Precor's world-class standards.

Byrne said that Precor plans for both Cardio Theater

and ClubCom to offer open platform systems available to manufacturers, clubs and fitness facilities.

ClubCom will operate as an independent subsidiary. In addition to providing open-platform entertainment network services to a variety of customers, ClubCom will collaborate with Precor on new technologies, such as Precor's InSite(tm) wireless information service for club and facility management.

The acquisition closely follows Precor's January 12 purchase of Fitness Products International, which manufactures the Icarian strength equipment line. With that acquisition, Precor rounded out its product offering for a consolidating commercial market focused on stronger relationships with suppliers offering a complete range of products.

"Fitness equipment providers today offer a narrow

band of hardware products and services — tomorrow's total product will deliver a great exercise experience, and converge entertainment, operational and experiential technologies," said Byrne.

These new products, services and technologies will make facilities more successful financially, and be key to greater customer satisfaction.

ClubCom will maintain operations at its Pittsburgh, PA facility.

OUR LICENSEES GIVE A "THUMBS UP" TO THIN&HEALTHY® AS:

- A way to make great money
- The best weight management program
- A proven business concept
- An awesome way to make a difference

Meet Melody Wright, Sandy Ingledue, Donna Young and Adah Ellerbrock. These folks know why they're involved with Thin&Healthy, Inc. and have agreed to answer some of your most commonly asked questions.

WHAT MAKES THIS WEIGHT LOSS PROGRAM DIFFERENT?

"Without a doubt it's that a member can follow it for the rest of their life. Thin&Healthy® has a brilliant way of teaching people how to eat their very favorite foods and still lose weight. Plus the program helps people get moving who never did so before."

WHAT'S THE BUSINESS MODEL? "There are 2 specific models, both are elementary. Thin&Healthy® has a comprehensive training program that teaches each one of the systems completely. With as little as 300 square feet and a person to oversee the concept, the business can function well. The marketing strategies get a direct response. We can't keep up with the number of leads we get sometimes! The sales presentation closes sales and the ancillary programs just keep adding to the bottom line!"

WHAT KIND OF ROI HAVE YOU EXPERIENCED? "Lets put it this way...we all had successful careers before doing this and we've experienced a **100 TO 400 PERCENT INCREASE** over what we made before. An additional 100K NET is realistic when you plug in the systems."

WHAT WOULD YOU TELL ME ABOUT BEING INVOLVED WITH THIN&HEALTHY®? "Its's a great living where you make a great big difference! We've learned how to draw people into a healthy lifestyle and keep them there! Our communities love us! This organization displays integrity, solid business concepts and support beyond belief! We Love it!"



Come see us at
Booth # 2502

THIN & Healthy
WEIGHT MANAGEMENT®

...Your Last



For Weight Loss.

Visit us at
www.thinandhealthy.com

Opinions expressed are not claims. Each licensee's results may vary based on the application of the systems taught.

FOR MORE INFO CALL **419-991-1223**

Moving Into Management

By: Karen D. Woodard-Chavez

Congratulations to you. You are moving into management at your club. You have been a trainer at your club for a number of years, you are a terrific trainer and the management group at your facility has offered you the opportunity to manage the training team. This makes sense—it's the next logical step. Or is it? Maybe it isn't the next logical step for you. Maybe you are a terrific trainer and management is not where you should be. I am sure you have heard the expression before of someone making the mistake of going into management. They were truly outstanding at what they did prior to management then once in management they became mediocre. If you are going to move into management, you want it to be something that serves you well as well as you serving others well. The last thing you want it to be is the biggest mistake of your life.

This article will give you a checklist of elements to consider before you make your move.

1. Avoid thinking that management is not that difficult and that the job of managing the training team is not different—it is very different. You need to be prepared to do it everyday—not just when you feel like it. The sign of a true professional is when they do their best everyday.

2. Recognize that your club has a personal training program for three reasons and your job is to continue to perpetuate what I call the Indispensable Three. The Indispensable Three includes the

following: increased member retention, increased staff opportunity and increased profit to the club. Think about it this way—if the Members are using the club more and seeing better results, we will have increased member retention. If the staff is training more and providing better results for the Members, then the staff will have the intrinsic and extrinsic rewards they seek. If the previous two are occurring, then the club will see increased profitability—provided the systems and pricing are in place. Once again, your job is to manage the Indispensable Three to maximize the outcome.

3. Have a system that includes goal setting and tracking. Goal setting is simple. Your goals for the department need to include the following: total billable hours weekly per trainer, total contacts/conversations per trainer with Members about PT, total lead generation activities performed by the trainers to generate business, etc. The tracking is a little more detailed. Essentially, you are tracking all activities that are income producing and expense producing. Additionally, you are using that information to improve performance in the department. You will be reporting this information upward to your superiors and you will be reporting this information downward to the people you manage to give them the feedback they need to do their jobs at a higher level. Therefore, you need to enjoy tracking and interpretation of the information.

4. Schedule regular meetings with your trainers to keep them in the loop, to train

them on sales skills and train on new training techniques. These meetings should be a combination of group and one-on-one. Particularly when it comes to sales production, the one on one meetings are extremely beneficial. They are especially important when you have an underperforming trainer who needs help with sales skills. Most trainers do not like selling; however, these skills are critical to their survival. The one-on-one meetings will allow you to be proactive about working on those skills in a non-threatening environment. A note of importance: you need to be very comfortable with training these skills.

5. Create the time and space to train your trainers. In the previous paragraph, we discussed the importance of meetings for communication and training purposes. Make sure you are giving your trainers the head start they need from the beginning. When you bring a new trainer on, train him on three elements: the club's big picture which includes club culture, mission, vision, core values, history, general operational information, service, etc. Train him on his technical training. Most trainers are very familiar with different types of equipment but train him on yours. Additionally, train him on your club's training philosophy. The third and final phase of training will be the selling skills and social skills training.

6. Communicate directly, courteously and consistently. As a manager, your role is to be the leader, which means you are the one who is responsible for initiating communication whether it is complimentary or corrective. You are the person responsible for appropriate communication as well teaching the other Members on your team to do so. Assess whether your communication skills are helpful or damaging. The following forms will help you to not only get better information from your staff but to be able to communicate more effectively and in a more personalized manner.

7. Be able to create professional boundaries. As a manager, your relationship has changed with the rest of the training staff. It has to. You may want to argue with that fact but think about this—you are now in charge of managing the Indispensable Three. When you have a staff person who is not moving in the same direction,



Karen D. Woodard-Chavez

you need to be able to discipline and/or give management direction. It is very difficult to do that if you are managing your friends. Instead, adjust the relationship so that you are managing staff and decisions as well as conversations will be easier. Consider this to make your life easier: if you do decide to move into management, have a talk with each one of your staff on a one-on-one basis to let them know what your responsibilities are to them and what their responsibilities are to you. Create clarity from the very beginning and you will minimize the brain damage.

8. Know how many trainers you need to be able to do the kind of business that is expected and don't be afraid to hire them. The reason I mention, "don't be afraid to hire them" is because if you have a non-developed team that is not doing the amount of training they could (See Karen Woodard Page 30)

If You Really Knew Me, You Would Know That...

"Help Me Help You"

(circle the three things you would most like me to do)

- ☐ Give me a pat on the back once in a while
- ☐ Listen to me more often
- ☐ Stop hounding me
- ☐ Let me make suggestions
- ☐ Leave me on my own
- ☐ Smile once in a while
- ☐ Ask me how I feel
- ☐ Stop trying to prove to me how smart you are
- ☐ Stop yelling
- ☐ Stop talking down to me
- ☐ Let me know what is going on with management
- ☐ Train me
- ☐ Give me a challenge
- ☐ Be interested in

Management Survey

The purpose of this survey is to understand how you perceive my performance in the areas of specific skill sets such as technical job knowledge, communication, and leadership. Please be candid and feel free to either attach your name or not. Please return these to the survey envelope at the end of this meeting. Thank you for your participation and the results as well as an action plan will be shared with you in the next staff newsletter.

- On a scale of 1 – 10, how well do I know the business?
- On a technical skill level, what do I need to improve upon?
- How well do I communicate? (scale of 1-10)
- What could be improved with my communication?
- Do I let make time to speak with you when you need my assistance? (scale of 1-10)
- How well do I walk my talk? (scale of 1 – 10)
- If I don't walk my talk, please give examples of how I may have let you down.
- What can I do differently to lead this organization to a higher level?
- What can I do differently to lead you to a higher level?
- What do you like least about working with me?
- What do you like most about working with me?
- Any other comments to help me perform more effectively?

Norm Cates
THE Club Insider
NEWS

is seeking Contributing Authors
-If interested please contact Norm Cates

(770) 850-8506
or Email:
clubinsidernews@mindspring.com

WARNING!

Be prepared to increase your cash flow!

Is your bank controlling your growth?

Are you looking to expand?

Do you need to renovate?

NO PROBLEM!

The process of converting your membership contracts into cash is called factoring. You can immediately gain access to the cash you need without all the hassles of a bank loan.

Fair Finance has specialized in factoring membership contracts since 1934.

We offer a wide range of services including:

- Membership Factoring •
- Portfolio Management Services •
- Front Desk Member/Management Software •
 - Renewal Programs •
 - Payment Processing •
 - On-Line Access •
 - EFT Programs •

Factor your contracts today!

The process is simple, fast and financially rewarding!

FAIR / FINANCE

Since 1934

1-800-735-3247

www.fairfinance.com

E-mail: sales@fairfinance.com

The Importance of Posture Training

By: Karen Kirby

I recently read the headline of a fitness article that said "Before the Core". This article made me think about that question: What comes before the core? What is more fundamental than core training? As an exercise professional, I understand the benefits of teaching core strength, joint stability, functional movements, etc. What could be more foundational, more beneficial? Two things jump out immediately: **exercise adherence and posture.**

Posture is huge, but exercise adherence is volcanic. Fact: the chance to educate someone about their core, their posture, the many benefits of health and wellness *cannot and will not be possible unless we understand adherence.* Until a smidgen of consistency is accomplished, our opportunity to educate will be dim.

Why is posture such a big element? Poor posture is the dominant negative force facing our members and clients. Many of the health problems we hear from our members have to do with poor energy, neck tension, weak backs, and overuse pain. With so many people working in sedentary jobs, posture issues are an epidemic in our country.

Improved posture equates to improved health in every way. Improved energy, improved thinking, improved self-image, improved joints, improved movement. Posture

describes us physically, biomechanically, structurally, and most importantly, is the foundation of our health journey. Before teaching exercise movements to our clients, we must evaluate and improve overall day-to-day, minute-by-minute posture. The quality-of-life benefits that come from improving alignment which improves movement, are so powerful they cause our members to shout from their rooftops.

Think about it this way. There are 168 hours in every week. Wow! 168 hours filled with things that improve our health or take away from it. 168 hours of sleeping posture, sitting posture, standing posture, picking things up, opening doors, getting in and out of cars or buses or planes. 168 hours filled with postures that improve or hinder our health.

Now think about our exercise programs. Exercise is something we do five times a week. Okay. That was overstated. On our best weeks we workout five times a week. And I'm describing us as fitness professionals. Only our best members work out that often. Five hours of stretching. Five hours of strengthening, and stabilizing and getting our heart rates up. Five hours, at best, of trying to correct all the sitting, phone talking, key boarding, improper lifting, and repetitive movements that fill the other 163 hours of our week. Shock and

disbelief! Can five hours be enough to balance out our overstressed, over flexed, over sedentary lifestyles. Great news! It absolutely can.

Posture Principles

First, we will need to understand some posture principles and work tenaciously to get our members and clients to become aware of them.

There are several important posture principles, namely biomechanics, spinal alignment, neutral joints, etc. The success of the principles all comes down to understanding one major posture key: Good posture is 50% physical and 50% mental effort.

We must design exercise programs that help people stretch the tight and short muscles and strengthen the weak muscles to be able to physically hold themselves in the correct alignment. But that is just half of it. Think about it. We know plenty of people, probably like ourselves, that have the strength and flexibility needed to hold themselves in good posture, but they don't. Why? Because they don't think about it. They are in the **habit of slouching**, of rounding their shoulders, of not thinking about their movement patterns. It is only when we raise our member's awareness, that they can develop new habits of improved posture. That is how our work as fitness coaches comes in.

Relating to the mental effort, I see members walk into the club everyday carrying their briefcases, purses, kids with terrible posture. Then amazingly, as soon as they are changed and working out with their instructor, I observe them doing all their exercises in perfect posture. Way to go instructor! Great posture cues. Then one hour later...wait! What is this? The same member walking back to their car, slouched over, looking ten years older. They are a perfect example of being good at exercising, but not being aware or being coached to carry those exercise principles over into every day living.

You might be thinking this all sounds idealistic. As fitness professionals and health club companies, we can only do so much. Focusing on the members that walk in our clubs is a huge endeavor. How could we ever expand our focus to improving their health when they are not in our clubs? While I believe in the business strategy of not trying to be all things to all people, I have total faith in the leaders of our industry. Faith that 50 million by 2010 can be reached with open minds and far-reaching goals.

Let's make a future where our clubs are places where people come to practice health and to learn about how to be healthy the other 162 hours a week. As fitness professionals, we must help our members understand that they will make



Karen Kirby

the majority of their health gains when they are not in our clubs. Let us dream of integrated health club companies which enable the majority of their community to improve their health. The world our future members live in rarely allows them to meet regularly with a fitness professional or practice their health inside a club five hours a week. Let's work at creating environments that continue to be great workout facilities for our members, as well as, vital resources to our community allowing interdependent relationships that encourage people to be healthy in and outside our clubs.

(Karen Kirby is President of Health Style Services and may be reached at: KKirby1466@aol.com or by calling: 921) 884.2620.)

...Norm's Notes

continued from page 7

new "OPEN FORUM" started off with a BANG for our upcoming March issue which will be published the week before IHRSA Las Vegas, just in time for hand-distribution at our Booth #1950 and at our 10th Anniversary Celebration! Send your CLUB INSIDER News Open Forum comments TODAY! clubinsidernews@mindspring.com or Fax #: (770) 933-9698.

● MY SINCERE APPRECIATION and THANKS to all of our Advertisers for their terrific support of this great publication called **The CLUB INSIDER News**. And, special thanks to those whose company names are shown on the bottom of page the page #4 Party invitation for their kind

sponsorship of our **10th Anniversary Celebration**. Have you ever been to a party that everybody that attended talked about it for months, even years? And, one where those that did not make it, regretted it forever? Well, those are the *kinds* of parties and events that I produce through my company here in Atlanta called: "**Norm Cates' Special Events, Inc.**". I've been planning and producing "**MAKE-IT-FUN!**" events for 35 years and I promise you that you will be glad you were there. *Even if you arrive a little late from a previous commitment., no worries. Just join us!*

● **ROYCE PULLIAM** is now known as the **biggest Gold's Gym franchise owner in the U.S.** with 14 clubs now open and more in the pipeline. He is also known for a lot of other

things. But, he apparently has some excellent attorneys because **JUDGE JAMES FLANNERY**, of the Warren County Ohio Court of Common Pleas, ruled on Christmas Eve, December 24, 2003, that **JOE MOORE'S FITNESS WORLD** "did not have standing" in the case where Moore's Fitness was the Plaintiff and Royce Pulliam's Gold's Gym Ohio empire were the Defendants. So, he threw it out. Joe Moore and his attorneys considered appealing the case and Joe Moore said, "We decided that it would be a waste of time and money because even if we should win on appeal, it would be kicked back to the same Court and same Judge James Flannery's Court. But, it is still hard to believe that Judge Flannery heard arguments on this case from June, 2003 to

December, 2003, and then threw it out on Christmas Eve, giving Royce Pulliam and his cronies a Merry Christmas gift. Now comes the challenge at IHRSA. There have been several formal written complaints by veteran IHRSA Ohio club owners filed against Royce Pulliam's Gold's Gyms. These individuals feel that Pulliam's Gold's Gyms should be thrown out of IHRSA Membership. Keep in mind, the only other time that happened in IHRSA's 23 years was in Washington state where Hart's Athletic Clubs had its IHRSA Membership suspended for awhile. So, since those letters of complaint about Pulliam's operations arrived at IHRSA a few months after Joe Moore filed his lawsuit against Pulliam's Gold's Gyms in June, 2003, the IHRSA Ethics and Standards

Committee stated to me that they could take no action until the lawsuit case was settled in Court. Well now, it is settled. So, the monkey is now on the back of the **IHRSA Ethics and Standards Committee** to make a decision on what to do about Pulliam's Gold's Gyms. What will the IHRSA leaders do? Your guess is as good as mine. But, rest assured, this is not the end of this matter. All eyes are now watching Pulliam's Gold's operations. In fact, word I get is that **HOWARD AIN**, the local Cincinnati TV consumer reporter, *still* gets complaints about Pulliam's Gold's Gyms on a regular basis. And, I have learned that the Ohio State Attorney General's Office is now investigating Pulliam's operations. Now, there is someone that

(See Norm's Notes Page 31)

SOME SEE URETHANE AS
AN EXCITING NEW OPTION.
SEVEN YEARS AGO,
WE FELT THE SAME WAY.

You may have noticed lately some manufacturers touting the benefits of their new urethane-coated plates and dumbbells. It's about time. While they've just begun looking into urethane equipment, we've been refining our line for the past seven years.

Improving our formula's durability. Designing more efficient production methods. Making our urethane look even better and last even longer. And during this time, we've produced more urethane-coated equipment than all of our competitors combined. So while others are busy trying to enter a category we created, we've been busy perfecting it.

For more information call 800-664-4766 or visit us at www.irongrip.com.



IRON GRIP.
BARBELL COMPANY

...2003 In Review

continued from page 15

scare off the millions of average people or intimidate the de-conditioned and will actually give them the idea, "maybe I will go and check out Bally Total Fitness after all these years because now I know they have people other than "hard-bodies there!" This new direction by Bally Total Fitness appears to be the brainchild of Martin Pazzani, new BTF Chief Marketing Officer. BTF has rolled out their new 2004 campaign with the slogan: "Everybody Needs Something!" We also announced that Bally Total Fitness has taken steps to improve their service with the recent hire of Anita Augustine to a newly created position of Assistant Vice President of Training and Development. Once again, in our

December issue, we urged you to make plans to attend the 23rd Annual IHRSA Convention and Trade Show in Las Vegas, March 22-25th. We also announced that at IHRSA, Ray Wilson will be honored with IHRSA DALE DIBBLE Distinguished Service Award, Rudy Guiliani (former NYC Mayor) will receive IHRSA's Person of the Year Award and IHRSA will launch its new "Visionary of the Year Award" with the honor going to Gary Heavins, Founder and CEO of Curves For Women. We commented on the loss of its U.S. Patent on the three hole grip plate by Iron Grip. I learned more about the Iron Grip Patent Lawsuits from co-owner, Michael Rojas. Check out Norm's Notes in this issue. I wrote a comment about how important the exterior environment of your club is: to new membership sales, mem-

bership retention, staff attitudes and your attitude. I explained that one of our advertisers, Carlos Dixon, owner of SolRac Design Impact (see ad page #20) was experiencing difficulty with the prospects his advertising was producing because the club owners were hesitant to invest in the beautification of their interiors. Instead, I explained, club owners don't hesitate to spend \$10,000 for a couple of treadmills, while leaving a room full of cardio and weight equipment drab, dark and depressing. Go figure. But, it is your environment folks, and you can leave it just a drab, dark and depressing as you want to! But, I will bet if you folks will just go out and "shop" the other clubs in your market, you will find a direct correlation between attractive, colorful, bright interiors and long-term club success. Once again, we sounded the alert on Brian Homan in Coral Springs, FL. Check out the November summary above. Jerry Noyce, one of America's top club industry professionals has lead the Health Fitness Corporation in Minneapolis, MN. through a terrific renaissance and recently capped the last four years work with the Health Fitness Corps. acquisition of Johnson and

Johnson's Health and Fitness Services Division for nearly \$5 million. We announced that Jason Conviser was restarting his JMC & Associates club consulting company after spending 6 years as the Vice President of Clinical Services for BTF. Jason may be reached at: (847) 242-0635. Roger Semsch, the owner of a World Gym in the St. Louis, MO. area brought some concerns about the failure of the Missouri Attorney General's Office to enforce the Missouri State laws regulating health clubs. Roger complains and continue to complain (Jan. 13, 2004 I received a call) that Assistant Attorney General Kim Maddix will not return his calls, respond to any faxes or emails. We wrote about a Thanksgiving weekend visit to the Fit For Life Center in Fort Worth, Texas, and I described the feeling I get when entering and using this club owned by Robert Dyer, Ken Hoover and Michael Scott Scudder, as being that "Red Lerille" feeling. You will know one of the reasons why when you read the Cover-story on Michael. The Gold's Gym "G" Group, headed by Kirk and John Galiani, announced a partnership with the Pulse Athletic Clubs, 5 clubs in the Raleigh, N.C. area. I expressed my relief as this

announcement signals that the Galiani's are not going to invade the Raleigh, Durham, Chapel Hill area with 7 NEW Gold's Gyms as previously announced. Hopefully, this means they will work with Pulse CEO and industry veteran, Rick Zimmerman to use care in the strategic placement of their new Gold's Gyms. STAY Tuned.

We also published an article in December by my son, Justin Cates, entitled: "Change By Football" wherein Justin chronicles his 6 years of football and how football and weight training changed his life for the better, an article by IHRSA about the upcoming March 22-25th - 23rd Annual IHRSA Convention and Trade Show, by Michael Scott Scudder entitled: "REVIEWING THE YEAR...and WHAT'S IN STORE FOR SMALLS IN 2004!", by Donna Krech, entitled: "Making Weight Loss FIT Into Your Fitness Club"

That wraps up our "2004 In Review" Parts I-III. If you missed December, 2003 with "2003 In Review" - Part I, I still have copies available for any new subscriber that contacts me with a new subscription order at: clubinsidernews@mindspring. We wish you all a Healthy, Happy and Profitable New Year! STAY TUNED!

For subscriptions to any of these magazines, visit our website at:

<http://www.fitnessmanagement.com>

For advertising, call your representative today

Chris Ballard/Publisher
 323 801-0189
 Chris@fitnessmgmt.com

Andee Bell
 614 921-8827
 Andee@fitnessmgmt.com

Scott Christie
 512 828-4240
 Scott@fitnessmgmt.com

...Karen Woodard

continued from page 26

be, they may be threatened by bringing in new trainers. They may feel like the pie is being cut up too much. That could not be further from the truth. These factors will help you:

- The average club with no strong systems for PT will see an average of 2 - 4 % of the membership population purchasing PT.

- The average club with strong systems in place and the appropriate number of trainers can see as much as 10% of their membership population purchasing PT.

- The average trainer only does 10 billable sessions per week. Do you want average trainers or do you want career trainers who are doing 25 - 35 billable sessions per week?

Let's look at this example: Your goal is to do \$540,000 in PT over the next 12 months. That breaks down to \$45,000 per month. If the average price per session at your facility is \$45, then you will be doing 1,000 billable PT sessions per month. That breaks down to

roughly 233 sessions per week (1,000 ÷ 4.3). If the trainers at your facility were doing 25 sessions per week consistently, you would need to have 9.32 trainers to accommodate the demand. If the trainers at your facility are doing less than that - you need more trainers to hit your goal. Do you see how critical it is to be strategic about this in order to produce the revenues you desire? Knowing what your organization's annual goal broken down to a monthly basis is imperative not only for revenue and expense projection but additionally, to know how many trainers you need to hit the goal. Too often, organizations do not have the number of trainers necessary to hit the goal and consequently, do not create the level of revenue that they could. Therefore, think about your organization's goal over the next year.

9. If you do decide to move into management, think about your compensation. Don't make the mistake of going straight salary. If you do, you will cut yourself short. Instead, consider a pay for performance element to your compensation.

By doing so, you make more when your training team is producing. This also gives you incentive to make sure your training team is always doing well.

Weigh carefully your motivation for moving into management. If you have assessed the previous elements in this article and have determined that you would enjoy and excel at these qualities, then perhaps it is time for you to make the move. On the other hand, if you don't think you would enjoy nor be good at these qualities, then remain in your position as a very good trainer who enjoys their profession and is compensated well for your services.

(Karen D. Woodard-Chavez is an international consultant, staff trainer and author. She has over 20 years experience and has most recently authored the training manual "5 Weeks to Personal Training Success". Karen can be reached at 303.417.0653 or Karen@karenwoodard.com.)

Staff Training Available

What are the benefits of e-Learning for clubs?

• Online training of employees via the internet • A low cost, efficient way to train your staff • Easy access, 24/7 • No work time loss or travel expenses to conventions and conferences • Employees learn in real time, at their own pace, and in their own space • Training customized for the club industry by industry experts and nationally recognized business leaders • Improve the knowledge and skills of managers and staff

24/7



Key Features of the Club Performance Program

- Over 100 lessons available
- Sales training
- Customer service training
- Management/Supervisor/Leadership training
- Human resource topics
- Testing and employee reports
- Option to create your club's own private label Learning Center and add custom lessons

Club Performance Network
1-866-850-2582
 www.clubperformance.net

"A well trained, member oriented staff is critical to differentiating your club in today's competitive market."

Gerry Faust, Consultant to the Club Industry

...Norm's Notes

continued from page 28

has "STANDING" to bring a huge legal action against Pulliam's club group. STAY TUNED.

• **The 16th Annual World Gym Convention and Awards Banquet** will be held March 4th and 5th in conjunction with **World Gym University**, produced by **MICHAEL SCOTT SCUDDER**. The World Gym Events are being held the same weekend as the **16th Annual ARNOLD SCHWARZENEGGER Classic**, that will be held in Columbus, Ohio, March 6, 2004. This event attracts the world's top bodybuilders and offers the top cash prizes. The Arnold Classic is produced by **JIM LORIMER** and is held in Columbus, Ohio.

• **Cybox International, Inc.** reported some positive looking numbers with a 4th Quarter sales revenues up 8% and an 11% increase in 2003 year end sales revenues.

• **Terrific article** about **MIKE MINTON** and **Minton's Sportsplex** in the February issue of **CBI Magazine** written by

TOM RICHARDS. **Minton's Sportsplex** is located in **Texarkana, Texas** and as I wrote about him last month, we need to figure out how to "clone" **Mike!** **Minton's Sportsplex** is a lot like a "Junior" version of **RED LERILLE's Health and Racquet Club** in **Lafayette, LA**.

• **TONY CIMOLINO** and **CHARLES REIBEL**, the owners of **Gympro**, a leader in fitness apparel, have announced their new **Dri-X™** performance line for men and women. **Dri-X** are trademarked fabrics that feature **dri-wicking**, which transports moisture away from your skin, and **anti-microbial** properties that inhibit bacterial growth, important in the gym where wet workout clothes get stuffed into lockers and gymbags. **Tony** and **Charles** offer pro shop services for **World Gyms** and a host of other health clubs. Check out their **new ad on page# 33** and go to **www.gympro.com** or call **800-946-7455** to inquire about wholesale opportunities and private branding for gym chains.

• **JERRY NOYCE** is enjoying more terrific results as CEO seeing the **Health Fitness**

Corporation's stock price increase nearly 700% during his run as **HFC - CEO**. The **HFC** now operates 390 locations.

• **Congratulations** and thanks to **IHRSA's HELEN DIRKIN** and **SARAH BAYLES**, as the email warning advisories about legislative action around the country helped the club owners of Virginia stop in its tracks, **House Bill #390**, that would amongst other things, make club owners post a **\$65,000 or more bond**.

• **RICH EKSTROM**, the **President of Retention Management, Inc.**, recently released news that their "Beta-site" is now at **81% retention**, making it one of the tops I've heard of.

• My mate from "Down-Under", **PAUL RICHARDS**, owner of **10 -Club Physical fitness centers** in the **Auckland, New Zealand** area sent me this. **Club Physical** had sent out a newsletter to the general public preaching "Join the wellness revolution." This is the email the **Club Physical** marketing department received in response. "I know the product we have is the very best and makes a huge difference in people's longevity,

but raising the dead; well that's a new one. I yesterday collected approximately 500 "Fitness & You" from the **Waikumete Cemetery** where the bulletin had been dropped. (Council were not happy). You may want to advise the distribution company so they can discipline their staff. **Derek-GM-Club Physical. P.S.** The company says it is too early to say whether it will receive the usual 3% minimum responses rate from the cemetery.

• In closing my **Norm's Notes** to you today, I want to comment on my excitement about the **IHRSA Las Vegas Convention** and in particular, I am excited about introducing my friend, **RAY WILSON**, on Thursday morning, March 25th, to the General Session crowd (8:30 am start). I will be presenting **Ray** with the **DALE DIBBLE Distinguished Service Award**. I am also excited because, the night before, at our **10th Anniversary Party**, I will present both **Dale Dibble** (through a representative for Dale) and **Ray Wilson** with **The CLUB INSIDER News'** first ever "Health Club Pioneers of the Year Award." I chose to begin to award this honor on a

yearly basis because I think that our industry does not do enough to honor and thank those industry pioneers that have blazed the trail for all of us. And, **Ray Wilson** and **Dale Dibble** certainly are two of the greatest health club industry pioneers that ever lived. There is another pioneer that I am going to honor next year. He is a younger man than Dale and Ray, and he lives in **Lafayette, Louisiana**. His name is **RED LERILLE** and his story is the single greatest success story in the history of the health club industry. **Red** is now beginning his 41st year of business at **Red's** and we congratulate **RED** and **EMMALERILLE!** We hope to see you all in **Las Vegas!**

• **GOD BLESS OUR TROOPS, YOU ALL and GOD BLESS AMERICA! STAY TUNED!**

Make
It
Fun!

Can Health Clubs Solve America's Health Care Crisis?

By: Jason M. Conviser, Ph.D.

The Club Insider is proud to introduce our newest contributing editor, Dr. Jason Conviser. Jason is an industry veteran for over 25 years and has championed the cause of the deconditioned member in our clubs as well as leading the industry in creating health care relationships with health clubs. Jason has a Ph.D. in exercise physiology from the University of Wisconsin and an MBA from Northwestern's Kellogg Graduate School of Management. He is President of JMC & Associates, one of the leading consulting groups helping club owners create health club and health care connections. This is the first of 4 articles that will be appearing in the Club Insider in 2004 describing successful implementation between the Health Care and Health Club Industries.

Did I get your attention with the title of this article? I hope so, because as reported in the New York Times, on January 9, 2004, 15% of every dollar spent in America is spent on health care. Let me put it another way –

we spend 1.6 trillion dollars annually on healthcare. Let me put it one more way – if healthcare costs continue to rise, it will drive our nation into bankruptcy because of the costs associated with the treatments of preventable diseases such as heart disease, diabetes, certain stress disorders, obesity, hypertension, hypercholesterolemia, asthma, etc. On top of this, the World Health Organization reports that the quality of health care in the United States does not even achieve a place in the Top 10 health care delivery models in the world. If this doesn't scare you individually or as a business owner (it should), then maybe we should look at this 20-year trend as the single largest opportunity ever afforded the fitness industry.

How would your business be affected if health clubs were viewed as healthcare providers? We have the opportunity to share in the \$1.6 trillion industry with more than 250 million customers – customers who vote with their pocketbooks and are dissatisfied with the way healthcare programs and services are offered. Customers who for the most part have not expressed interest in

joining a fitness center given the current offerings such as treadmills, weights, classes and facilities. Relationships have been developed throughout the United States between health clubs and health care, and there is an opportunity for you to share in the wealth. The relationships are strongest when member service is a priority of every staff member, the facility can be adapted to a variety of service offerings and staff are able to knowledgeably communicate with individuals who would never join a fitness center but would go to a health club that offers them health care. How do I know? Over the past 6 years I have closed over 200 contracts bringing health care into the health club environment with a total value of over \$60 million.

Are You Sure About Health Care In My Health Club?

Can you name one disease, medical disorder or healthcare-related issue where exercise and improvement in one's physical fitness level is not part of the strategy for prevention of disease or prescription for treatment and rehabilitation? Don't try too hard – you will not

find one. Whether you are ready or not, in the coming years health clubs will not be survive solely on availability of equipment and exercise classes. In the coming years, health clubs will become full service healthcare providers.

What Has Changed Within Healthcare Creating This Opportunity?

Over the past 20 years, double digit increases in health care costs have been reported EVERY year! While you may not see the increases in your paycheck, you do see them when you look at the profitability of your clubs, what you are forced to charge members and for every product or service you offer in your clubs and for every product and service you pay for as an individual. With every dollar you send out to any supplier, they are using up to 15% of that check to pay for the healthcare of their employees.

In the past, healthcare was a lucrative business. As the producer of medical products and services, the healthcare system determined the market need for the products and told you how much you were going to pay for the services. There were no economic controls seen in every other business in America. We had a healthcare system that paid 100% of every bill with no limitations. There was no incentive to reduce programs, services or fees.

Managed care was developed as a means of restricting care by taking the physician out of the equation. Care through health maintenance organizations (HMO's) was based upon predetermined contractual coverage dictated by in some cases a clerk. Managed care limited the amount paid, often with the goal of maximizing the profits of the managed care organizations profits. In essence, we were managing costs – not care. HMO's took on a new meaning – hell maintained over us! While managed care was successful in managing costs, there were numerous consumer complaints regarding quality and limits on care. It is this disenchantment that provides the opportunity for club owners.

Are There Ways To Control Cost?

Over the past 20 years, the healthcare industry has controlled costs in three ways:

decreasing availability and utilization of services, decreasing the amount they would pay the doctor or supplier of the service and then continually raised insurance and co-payment rates. Over the next 20 years, three additional changes will be mandated in order to control the cost of providing services: individuals will pay more out of pocket for the delivery of service, individuals will be incentivized to participate in their long-term health status including participation in prevention activities and programs, and the consumer will become more knowledgeable about the services that are being performed so that he can make rational and fiscally responsible choices about his healthcare options. All three changes mean the way healthcare services are delivered will be one of the single most important issues for all Americans. Over the next 20 years, the only way to make healthcare work is to find programs and services that can be delivered with new delivery models. Just like banking is now done with ATM machines and groceries can be purchased at gas stations, healthcare will be delivered in new locations, with new providers and new options. Did you ever think you would be holding seminars about obesity, exercise prescription for blood pressure and cholesterol, providing fitness assessments and reporting on the relationship between oxygen consumption and relative risk of heart disease? Folks, you are in the health care business – you just don't see it yet.

Why Is This Important For Club Owners?

Because every service or procedure that is offered in a hospital setting except for emergency room, surgery and inpatient care – every procedure or service (cardiac rehabilitation, physical therapy, occupational health, dentistry, dermatology, podiatry, psychology, pharmacology, chiropractic, oncology, rheumatology) can be offered within a new health club model.

Health Clubs As Healthcare Providers

There are three reasons why health clubs now have the opportunity to support and enhance the healthcare system.

First, the healthcare (See Jason Conviser Page 34)

FABIANO

ARCHITECTURE

INTERIOR DESIGN

HEALTH CLUB
PLANNING

RETROFIT
CONSULTING

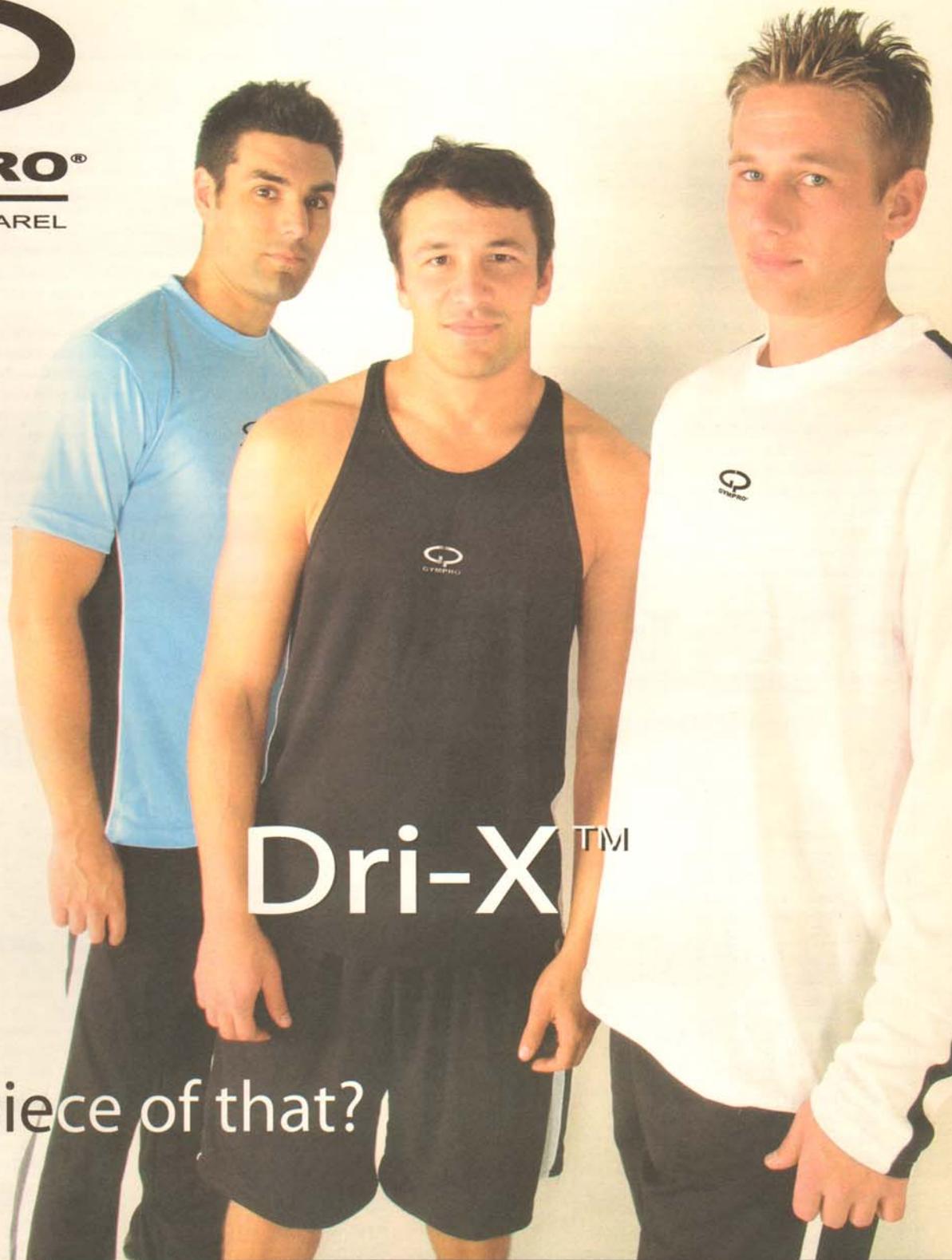
Give your
members
the
experience
they want.

9 7 3 . 7 4 6 . 5 1 0 0

WWW.FABIANODESIGNS.COM

SEE YOU AT IHRSA-BOOTH #2515


GYMPRO[®]
ATHLETIC APPAREL



Dri-X[™]

Want a piece of that?

Dri-X[™] mens tee Dri-X[™] long sleeve tee Dri-X[™] muscle tee Dri-X[™] tank Dri-X[™] mens short Dri-X[™] mens pant

This product has been designed to give you performance, comfort and style. Dri-X[™] from GYMPRO features dri-wicking & anti-microbial properties.

Athletes choose GYMPRO.

Dri-X[™]




GYMPRO[®]

WWW.GYMPRO.COM

800-946-7455

...Jason Convisor

continued from page 32

continuum has expanded to include prevention and health promotion services that aim to lower the cost burden. Essentially – that's what we now do. The demand for better healthcare at affordable prices from consumers, government, insurers and corporations has become so great that either health clubs will respond and take advantage of the opportunity or someone else will. We currently have the facility and equipment (and in some situations the certified staff) to offer individualized exercise prescriptions for almost every American.

Second, health clubs are the pure definition of a market-driven business. When con-

sumer needs change, clubs have been quick to change programs, services and even bricks and mortar. Consumers are speaking with their cash that they are interested in dealing with their health – they just don't know where or how to do it. We as owners have the infrastructure as well as the capacity to change as market demands change to offer additional services! Healthcare providers change every 20 years and only when they are forced to change or become extinct. Health club owners can not only change, they usually have excess capacity within their clubs to offer traditional programs and services as well as carve out spaces and time schedules for new populations.

Third, over the past decade clubs have matured from body building gyms to fitness

centers with certified staff that assist members gain control over their lives through fitness, to health clubs where individuals of all sizes and shapes and most medical conditions require professional expertise to help them progress from one fitness level to the next. We have evolved before – healthcare is simply one more stage in our evolution.

As a result of the restrictions on the amount of healthcare and the services provided, Americans have begun to accept responsibility for their own health by taking prevention measures through exercise and alternative care options. However, in clubs there is the lack of both expertise and experience in making health related decisions. This is where the health care/health club partnership comes in. Healthcare is looking for less expensive and more convenient locations to provide services to their clientele as well as attract new future patients into their continuum of

care. Health clubs are looking for relationships with organizations that need to leverage their physical environment and equipment, their market-driven abilities and want to have greater diversity of individuals in their facility.

To take advantage of the healthcare opportunity, health club owners must accept their role by expanding programs, committing to retain and retrain staff, create partnerships with licensed professionals and organizations who can offer services in your environment, and communicating the new programs and services to both members and non-members who may wish to simply join a program in your club. Health clubs have earned their place in healthcare by helping consumers stay healthy and reduce both illness and injury. They have promoted programs that prevent, control and reverse disease through exercise and health promotion. If your doctor is considered primary care, then

health clubs should be considered primary – primary care.

How Do You Make It Work In Your Club?

Next month we will highlight successful models that have included chiropractic and physical therapy clinics in the club setting. Examples of lease/leasor relationships, joint ventures, strategic alliances and marketing partnerships will be provided from club models throughout the country.

(Jason Convisor is President of JMC and Associates, one of the leading consulting companies in the industry helping health clubs develop relationships with health care. He can be contacted at 847-242-0635.)

Norm Cates® THE Club Insider NEWS

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"/> Ray Wilson Ventures - Pg 18 & 19	Fax#:(760) 431-1974
<input type="checkbox"/> Med X - Pg 36	Fax#:(352) 373-1507
<input type="checkbox"/> CheckFree Corp - Pg 2	Fax#:(678) 375-3304
<input type="checkbox"/> Sales Makers - Pg 7	Fax#:(845) 736-0508
<input type="checkbox"/> Affiliated Acceptance - Pg 11	Fax#:(816) 753-1429
<input type="checkbox"/> Springfield Corp - Pg 8	Fax#:(770) 729-0995
<input type="checkbox"/> Body Training Systems - Pg 35	Fax#:(770) 424-1590
<input type="checkbox"/> Fit To Go - Pg 15	Fax#:(662) 841-1720
<input type="checkbox"/> Fitness Management Mag - Pg 30	Fax#:(323) 964-4837
<input type="checkbox"/> National Gym Supply - Pg 13	Fax#:(310) 280-0937
<input type="checkbox"/> Friday Reports - Pg 12	Fax#:(212) 987-4227
<input type="checkbox"/> Fair Finance - Pg 27	randym@fairfinance.com
<input type="checkbox"/> ABC Financial - Pg 21	Fax#:(501) 992-0851
<input type="checkbox"/> JLR Associates - Pg 10	Fax#:(781) 431-0890
<input type="checkbox"/> IHRSA Convention - Pg 9	Fax#:(617) 951-0056
<input type="checkbox"/> Thin And Healthy - Pg 25	Fax#:(419) 991-6983
<input type="checkbox"/> Thomas Plummer Company. - Pg 17	Fax#:(508) 833-3074
<input type="checkbox"/> Ivanko Barbell - Pg 23	Fax#:(310) 514-1363
<input type="checkbox"/> Iron Grip Barbell - Pg 29	Fax#:(714) 850-6910
<input type="checkbox"/> Scudder Tour - Pg 34	Fax#:(505) 751-4220
<input type="checkbox"/> Professional Club Mgmt. - Pg 14	Fax#:(913) 294-5666
<input type="checkbox"/> Gym Pro - Pg 33	www.gympro.com
<input type="checkbox"/> Fabiano Design Intl. - Pg 32	Fax#:(973) 745-5103
<input type="checkbox"/> Club Performance Network - Pg 33	Fax#:(303) 526-5499
<input type="checkbox"/> HealthandWellnessJobs.com - Pg 16	

scott@healthandwellnessjobs.com

Make It Fun!

MICHAEL SCOTT SCUDDER

- Management
 - Member Marketing
 - Training/Coaching
- for select Clubs and Fitness

Facilities
PHONE:

(505) 690-5974

EMAIL:

scuddertour@direcway.com

WEB:

www.michaelscottscudder.com



I can help you get the extra dollars into...and out of... your business.

- Personal Training and Group Fitness
- Profit Centers in Your Club
- NEW! Visual Sales Methods
- Member Retention Strategies
- NEW! Online Training and Webinars
- Club Valuations

2004 Workshop Schedule:

- TH 2/12 - Boston, MA
- WED 3/10 - Tulsa, OK
- FR 3/12 - Dallas/Ft. Worth, TX
- TH 4/29 - Birmingham, AL
- WED 5/5 - Mahwah, NJ
- FRI 5/7 - Albany, NY
- WED 6/9 - Portland, OR
- WED 6/11 - Seattle, WA
- FRI 9/24 - Newark, DE
- TH 10/28 - Hatfield, PA
- WED 11/10 - Short Hills, NJ
- FRI 11/12 - Newburgh, NY

** 2 1/2 day Personal Training/Group Fitness special workshops in Fort Worth, TX: Jan-Apr-July-Nov **

GOT PROFITS?

body**training**systems.



"Body Training Systems accounts for 1500 new members and \$1 million in revenue that we didn't have before. In addition, we avoided about \$100,000 of additional investments in capital equipment over the first two years with BTS."

- Gordon Johnson, Gold's Gym Owner

"In just three years with Body Training Systems, annual revenues increased by \$1.2 million and our earnings increased by \$400k."



- John Bonica, Global Fitness Owner



"In only 7 months, BTS has reinvented Group Fitness programming at WOW! We have experienced more than a 300% increase in class participation and more than a 25% increase in guest traffic across our seven clubs."

- Stephen S. Roma, WOW! Work Out World Owner/Chief Operating WOWzer

SEE HOW TO MAKE YOUR CLUB MORE PROFITABLE IN LESS THAN 15 MINUTES.

HERE'S HOW:

1. Request the **FREE** video from profits@bodytrainingsystems.com.
2. Watch the 15-minute video.
3. Evaluate our systems **RISK FREE** for 90 days.

Developed by:



www.bodytrainingsystems.com

800.729.7837

GET STRONG TO THE CORE

The Core Spinal Fitness System™

STRENGTH. STABILITY. FLEXIBILITY. ENDURANCE. The Core Spinal Fitness System™ by MedX is the only workout system clinically proven to deliver these four factors essential to spinal health. And because a strong and flexible core provides a solid foundation for all body strength, The Core routine enhances results from other exercises throughout the entire body. Whatever the goal of any exercise regimen – from aesthetics to specific sports training – The Core Spinal Fitness System is the first step to success.

The Core workout is delivered through a series of bio-mechanically precise exercise machines specifically designed to target, isolate and strengthen spinal muscle groups. Or to promote and improve flexibility. The Core Spinal Fitness System is unique, patented and a direct descendent of the most technologically advanced medical rehabilitation equipment in the world.

Whether you're a fitness club owner or personal trainer, a demanding coach or rehabilitation specialist, The Core Spinal Fitness System by MedX can give you a competitive edge. Because at the core, you're just going to be stronger.

Core Lumbar Strength



Core Super Stretch



Core 4-Way Neck



Core Ab Isolator



Core Torso Rotation




The Core
Spinal Fitness System™

For more information call
Toll Free 1-866-814-0719
or visit www.CoreSpinalFitness.com