

Norm Cates'

# THE Club Insider

## NEWS

FEBRUARY 2006



Eddie Tock



Rick Caro



Ray Gordon



Sandy Coffman



Karen Woodard-Chavez



Bonnie Patrick Mattalian



John Brown

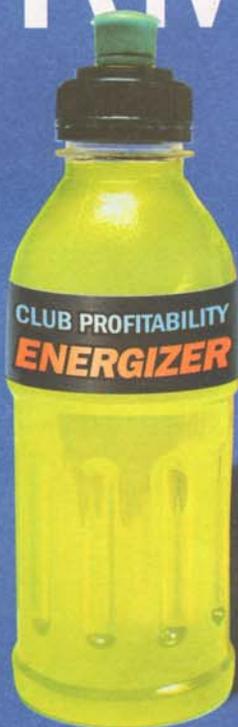
# The "BEST of the BEST"

*Club Business "Road Warrior" Consultants!*

*Open Your Eyes to the Great Help Available to You!*

APHELION is now part of *CheckFree*

# BOOST CLUB PERFORMANCE.



Proven expertise from CheckFree, the leader in club management solutions, is now fortified with Aphelion innovation to bring high performance to clubs of all sizes.

- ▶ Total club management software solutions available in desktop or Internet applications
- ▶ Enhanced member data services with outsourced billing and contract management
- ▶ Guaranteed, reliable payment services

For more information, call 800.506.9050 or visit [www.checkfreeclubmanager.com](http://www.checkfreeclubmanager.com)

**CheckFree**

Visit us at IHRSA 2006 Booth #1259.

© Copyright 2006 CheckFree Corporation. All rights reserved.

# Norm Cates' **THE Club Insider** NEWS

## The "BEST of the BEST" Club Business "Road Warrior" Consultants! Open Your Eyes to the Great Help Available to You!

### Part I

By: Norm Cates, Jr.

This February cover story includes interviews with some of the most successful health club consultants in the world. The individuals featured on our cover this month: **Rick Caro, Ray Gordon, Sandy Coffman, Eddie Tock, Karen Woodard-Chavez, Bonnie Patrick Mattalian and John Brown**, are true "Road Warriors" of the consulting business. These people spend virtually all of their work-time focused on "one-on-one" consulting with

the owners and managers of health, racquet and sports clubs across North America and beyond. And, some of them are sought after, regular IHRSA, Club Industry and other conference speakers around the world.

Thomas Plummer of The Thomas Plummer Company is not interviewed in this Part I, but is independently featured in a separate article in this issue. We've provided coverage on Plummer separately because his personal focus is in delivering large group seminar training now and he is the best in the

business as far as club industry impact because he trains over 4,000 club owner/operator/managers a year. See the Thomas Plummer Company ad on page #21. Thomas Plummer is now the single most prolific non-association club industry training seminar producer in the world. He started with "one-on-one" club consulting and he still does occasional "one-on-one" assignments. However, most of The Plummer Company's "one-on-one" consulting is performed by Terry Van der Mark. So, Thomas Plummer's dynamic

company is featured in a brief article in this edition on page #20.

Next month, in our March, 2006 edition, we will feature other stars in our industry that contribute greatly to this business through their group consulting operations, product sales and occasional, "one-on-one" consulting.

Each cover subject was asked the same four questions shown on page #12. However, throughout the interview, for space reasons, cover interview (See Best of... page 12)



Rick Caro

## Bally On the Mend

By: Norm Cates, Jr.

Paul Toback and his Executive Management Team in Chicago have survived one of the most difficult times in the history of the company. And, since this author truly believes that as goes Bally, a public company, so goes our health club industry at large in the "public eye", meaning that if bad things happen to Bally Total Fitness, it could potentially reflect badly on the entire health club industry and could possibly set this industry back, thus negatively

impacting you as a health club owner/operator. That's one big reason why I am relieved and pleased to be able to issue this report.

Over the past year, Bally management, and particularly, Paul Toback, Bally Chairman and CEO, have been under attack by two Bally stockholder groups, Liberation Investments, LLC and Pardus Financial.

Liberation, led by stockholder, Manny Pearlman and Pardus Financial, collectively control approximately 25% of the outstanding Bally

Total Fitness stock. Stock that has risen from the mid \$3 range to yesterdays closing on February 15, 2006 of \$8.98.

Today, Bally Total Fitness issued the following press release:

**New Directors Appointed to Strategic Alternatives Committee  
Parties Agree to Dismiss All Pending Litigation**

CHICAGO, Feb. 10, 2006. Bally Total Fitness (NYSE:BFT), the nation's leader in health and

fitness, announced today that according to results certified by the independent inspectors of election, IVS Associates, Inc., Charles J. Burdick, Barry R. Elson and Don R. Kornstein were elected to Bally's Board of Directors at the Company's annual meeting of stockholders on January 26, 2006.

The Company also announced that Messrs. Kornstein and Elson will join the Board's Strategic Alternatives Committee. Their appointment expands the Committee, (See Bally page 6)



Paul Toback

### Inside The Insider

- Kachel's Sell Quad Club for \$4.3 Million!
- Powering Up Your Business by Will Phillips
- The Thomas Plummer Company - In A "Class All By Itself"
- Characteristics of "Great" Fitness Club Managers
- "As I See It" - From Michael Scott Scudder
- "Health" of the Club Business Owners Survey



### Podfitness

Podfitness is the brainchild of marketer Jeff Hays, who has collaborated with Richard Petty, founder of Power Music, to develop one of the hottest products to hit the fitness scene in years.

Podfitness has selected Body Training Systems (BTS) to be the exclusive distributor for the club industry. With over

30 years experience in the club industry, Rich Boggs, Ray Irwin and Terry Browning have some pretty impressive successes with Sportslife (seven clubs and 45,000 members), The Step (over 8 million sold and 18,000 clubs as customers) and Body Training Systems (over 3,000 programs launched). So, when (See Podfitness page 38)

# •Norm's Notes•

• *Hello everybody!*  
This is your friendly **CLUB INSIDER** Publisher Since 1993 checking in!

### Thank You

To The **Club Insider** News 2006 Contributing Author Team Listed Below:

- **Karen Woodard Chavez** - President-Premium Performance Training - (303) 417-0653
- **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
- **Shawn Codd** - Sales Makers - info@salesmakers.com or 800-428-3334
- **Bonnie Patrick Mattalian** - Principal - The Club and Spa Synergy Group - (732) 236-2273 or bonnie.patmat@aol.com
- **Rande LaDue** - President - Pace Fitness - 1-888-604-2244
- **Karen Kirby** - President - Health Style Services - (210) 884-2620
- **Richard Ekstrom** - President - Retention Management - (800) 951-8048
- **Dale Dibble** - Retired - Bentley Village - Naples, Florida. Email: dwdibble@hotmail.com
- **John Brown** - President - PCM Fitness, Inc. - (281) 894-7909
- **Gary Polic** - Communications Consultants - XSPORT Fitness GPolic@communication-consultants.us 866-825-8501
- **Sherry Robb** - Co-Founder - MarketMyClub.com - 1-888-765-4717
- **Stephen Tharrett** - Consultant & Author - Fitness Management - 1-888-229-5745

There is a lot of news in this great industry and I'm glad to share as much of it as I can in this, our largest edition ever, in the history of CLUB INSIDER, 40 pages. Hard to believe I started with 12 pages 148 months ago! Not bad for a little 'ol home-based business started in 1993 with an investment of \$100 for a used computer I bought from a friend! I sincerely appreciate you folks reading **CLUB INSIDER**.

• **BODY TRAINING SYSTEMS** has launched Podfitness and we've covered it on page #3. The new Podfitness ad is on page #39 so don't miss it! Podfitness will provide a myriad of potential applications for your club and your members. Check out Podfitness!

• HE said, "Gentlemen, we're going to RELENTLESSLY chase perfection, knowing full well that we will not catch it, because PERFECTION is unattainable! But, we are going to chase it, because, in the process, we will CATCH

excellence." Those are the immortal words of my IDOL, the one and only, the late VINCE LOMBARDI, former Head Coach of the two-time- World Champion Green Bay Packers. During the Super Bowl I was stirred once again by HIS words, HIS life and HIS PASSION. The Super Bowl Trophy is now named the VINCE LOMBARDI TROPHY. Writing of my favorite word: PASSION, let me direct you to page #34 where I write of MY PASSION in a very, personal, very special, very from my heart writing, just for YOU and for millions of obese Americans, your POTIONAL members.

• AUGIE NIETO and IHRSA's BIG JOHN McCARTHY, are leading another attack on ALS with Augie's Bash at the IHRSA25 Convention in Las Vegas on March, 22, 2006. See the Augie's Bash ad on our outside back cover this month. Please note that one of the greatest survivors in the world and seven time Tour de

France winner, LANCE ARMSTRONG, will be there along with the Doobie Brothers! The goal of this ALS fund raising event is to raise \$2.3 million or more for the Muscular Dystrophy Association ALS (Lou Gehrig's Disease) Division, a cause that has become very close to Augie's family's hearts and to mine.

• I urge you to support Augie's BASH on March 22nd at the Las Vegas Hilton! Your support of this Gala will help one of our industry's greatest contributors, Augie Nieto, as he was diagnosed about a year ago with ALS! Augie, in his usual form, is not taking this disease sitting down. Augie's lovely wife Lynne serves with him as Co-chair for the ALS Division of the Muscular Dystrophy Association. The funds raised from your attendance will help people across the world when the CURE for ALS is finally found and do believe it will be found. In my view, God above has chosen two dedicated and gifted leaders to head this charge, Augie and Lynne Nieto. And I believe, it will be Augie Nieto and Lynne's effort, Teamed up with YOU, that can and will someday spearhead this CURE! Amazingly, Lynne Nieto's family has pledged to MATCH all of the funds raised



**Norm Cates, Jr.**

at this BIG BASH up to one million dollars! Augie, GOD Bless you and Lynne and your family. We care about you all and we are with you! My prayers go out to you and your family every day for success of this cause to DEFEAT ALS. All of you folks should realize too, when deciding IF you will step up and support this cause, "Were it not for the Grace of GOD...there go I."

• Well, PAUL TOBACK and his Bally Total Fitness Team have moved forward quite well. See the Bally Update article beginning on page #3.

• Speaking of Bally, al- (See Norm's Notes page 8)

## Norm Cates THE Club Insider NEWS

**13 Years and Counting!**  
**Subscribe Today!**

Here is Why:

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

Name: \_\_\_\_\_  
 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:  
 \_\_\_ M.C. \_\_\_ Visa \_\_\_ AMEX \_\_\_ Discover  
 Card# \_\_\_\_\_ EXP: \_\_\_/\_\_\_

The Club Insider News  
 P.O. Box 681241, Marietta GA 30068-0021  
 (O) 770-850-8506 (F) 770-933-9698  
 Email: clubinsidernews@mindspring.com  
 www.clubinsidernews.com

### CLUB INSIDER'S ADVERTISERS

- IHRSA25 Las Vegas Exhibits:**
- ABC Financial Services - #1941
- ActiveXL Promotions - #2374
- Affiliated Acceptance Corp. - #1782
- CLUB INSIDER - #2934
- Blends-4-You - #2733
- CheckFree Health and Fitness - #1259
- Club Performance Network - #2658
- EasyZone Weight Loss - #2819
- Find YOUR Reason - #2663
- InTek Strength - #1071
- Iron Grip Barbell Company - #1553
- Kids Pace Express - #2654
- PureFit Nutrition Bars - #2656
- Sales Makers - #2565
- Susan K. Bailey Advertising - #2841
- Thomas Plummer Company - #2663
- Visual Fitness Planner - #535
- VoiceScapes - #2659

# STAND OUT in the CROWD



## ACTIVE XL

INTRODUCES "WALKING BILLBOARDS"

### Get your brand out there.

ActiveXL's amazing alternative advertising concept — customized loaded backpacks — will strengthen your brand, provide incredible marketing value, and help your club *stand out in the crowd*.

### ActiveXL clients include:

- Town Sports International
- WOW! Work Out World
- LifeStyle Family Fitness
- Santa Barbara Athletic Club
- ...and many more!

Customized backpacks with choice of accessories

PRICES AS LOW AS \$8.75 PER LOADED BACKPACK!  
(includes cap, water bottle, and headphone)  
(F.O.B. China)



**ACTIVE XL**  
1-866-952-2848 [activexl.com](http://activexl.com)

Standard production/delivery time: 12 weeks

# Pack Your Pitch with Punch!



Connect authentically with your customers,  
Create and strengthen your brand and appeal,

Force top-of-mind awareness,

Introduce a new product or service,

Elicit a direct call to action,

Sell merchandise, Create a club culture,

Outshine and outsell your competition,

Raise campaign awareness internally,

Aid member retention, Nurture pride and ownership.

## Increase & maintain consistent profitability

### FREE OFFER!

Get a **FREE Customized Clubcast E-Newsletter** Valued at \$500

Features Fully-Automated Email Database Management,  
Unlimited Usage, Affordable Hosting, Easy to Us.

Call us today for details. Offer ends June 1/06

**1-888-765-4717**

**market my club.com**

# Kachel's Sell Quadrangle Athletic Club for \$4.3 Million!

## The "Moral" to this story is...

By: Norm Cates, Jr.

Let me tell you about the "Moral" to this story. This is a "Moral-to-the-story" follow-up to re-enforce our "Best of the Best" consultants cover article and interviews this month. This 26+ year survival story of Dean and M.J. Kachel's Quadrangle Athletic Club in Coral Springs, Florida, is some really good evidence on the results that just one club consultant visit can produce for a club owner.

Let me tell you about this fellow named Dean Kachel. Dean owned and operated the Quadrangle Athletic Club in Coral Springs, Florida (suburb of Fort Lauderdale) for 26+ years. See our CLUB INSIDER cover story, October, 2004. 12 years ago, in 1974, I would not have given Kachel's club a *snow-ball's chance in hell of survival*.

Kachel's Quad Club was an old Florida racquetball club with dark wood everywhere. Until 1994, he had not invested significantly to change

and equip his club to be competitive with the multiple and "heavy duty" new competition coming in within 1.5 miles of his Quad Club. He already had one competitor club, "About Fitness" built across the street from the Quad by his former employee, Brian Homan. That club could better have been described as a "predator" club because it was built by a former employee of Dean Kachel's, Brian Homan, and it opened across the street about 1/2 mile away. Kachel, until this day, can tell you about Homan's "predator activities" when he opened the About Fitness Club across the street from his former boss's club. Dean Kachel has told this reporter the he has absolute proof of some very sleazy activity by Homan with respect to Kachel's membership mailing lists and employee contact information. Then came a 20,000 square-foot Bally club about 1.4 miles away and after that, a big fancy Q Club about 1/2 mile away. When I heard about all of that glitz packaged as new, very

competitive club products, I knew then that Dean was going to have a really tough time surviving for very long with a run down 1970's style racquetball club and just a little bit of fitness equipment and aerobics served up to his members in converted racquetball courts.

Dean Kachel is an extremely hard working man and a very ambitious guy. But, you may have read it first hear when you read that Dean's very ambitious and hard working nature caused him to make some *serious mistakes* along the way. In particular, when he acquired an *almost dead, former racquetball-only club*, across the state, the Suncoast Club in Clearwater, Florida and tried to *revive it*, Kachel *darn near lost his butt!*

That single Suncoast Club mistake drained Kachel's original Quadrangle Athletic Club of operating capital, his time and his energy. Due to being split for money and time between two clubs, he did not invest in and make improvements over the years to his primary,

long-standing (12 years by then) business, the Quadrangle Athletic Club to prepare for the new competition that had arrived and eventually came in. Because of the cross state Suncoast Club, he let his original club, his primary and only source of income for his family, decline to the point where *it could not compete*. Unless you are rolling in dough and have a lot of employees that you want to reward with growth opportunities, do not try this "split focus" yourself...you could end up in the same "fix" Kachel found himself in.

In 1994, after a number of phone conversations with Dean Kachel over the previous 10 years, I finally came to realize something when he told me about the new competition. I realized that if Dean continued to allow his *focus to be diverted* from his Quadrangle Athletic Club and if he did not begin to *really focus on upgrading it and improving it and really equipping it*, **he was not going to survive there with the onslaught of new competition that was there**

the future," continued Toback. "We will continue to execute our operating plan that is driving results, while at the same time focusing on enhancing value for our shareholders."

The Company also announced that it has agreed with Pardus Capital Management and Liberation Investments that the parties will dismiss all pending litigation, including the lawsuit in Delaware Chancery Court regarding Bally's Stockholder Rights Plan.

Additionally, the Company noted that in the vote count certified by IVS Associates, shareholders rejected Bally's proposed 2006 Omnibus Equity Compensation Plan, and the proposals by Liberation Investments did not receive sufficient votes for passage."

### A Remarkable Effort Given the Hostile Attacks On Paul Toback and Bally Management

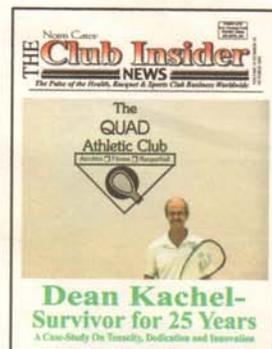
Paul Toback and his entire Executive Management delivered, during 2005, improved financial results for Bally investors. Given that they were dealing with the attacks by Liberation and Pardus, I would describe

Committee was established in January to lead a strategic process, along with financial advisors J.P. Morgan Securities Inc. and The Blackstone Group, in evaluating various alternatives to address the Company's long-term capital structure, which

may include a recapitalization, strategic transaction or the sale of the company. The company also stated that newly elected independent directors have been appointed to its Compensation, Audit, and Nominating and Corporate Governance Committees.

Bally also said its Board of Directors has re-appointed Eric Langshur to the Board, replacing Adam Metz, who resigned to permit Mr. Langshur to rejoin the Board. Mr. Langshur was re-appointed by unanimous vote of the Board, including the new directors. Mr. Langshur has been a Board member since December 2004 and served as Chairman of its Audit Committee for the past several months, a position he will continue to hold. "We are pleased that Eric Langshur will continue in his role as Chairman of the Audit Committee," said Bally's Chairman and CEO, Paul A. Toback, "and want to thank Adam Metz for his service to the company."

"We also welcome the new independent directors to the Board and look forward to working with them constructively as we continue to take important steps to build Bally for



### October '04 Cover

already and with more coming soon.

In a phone conversation with Dean one day, I told him: "You need to hire a *good consultant* to come down to your club, study and *assess* your situation there and *make recommendations* on exactly *what you need to do and when you need to do it and how to do it*. Then *MAYBE, JUST MAYBE*, your club will *survive* there. I recall that conversation vividly. You can contact Kachel for the de-

(See Kachel's page 26)

### ...Bally

continued from page 3

which will be co-chaired by Mr. Kornstein and John W. Rogers, Jr., Lead Independent Director of Bally's Board, to five independent directors. The

Committee was established in January to lead a strategic process, along with financial advisors J.P. Morgan Securities Inc. and The Blackstone Group, in evaluating various alternatives to address the Company's long-term capital structure, which

Norm Cates' **THE Club Insider**  
NEWS

13 Years and Counting!  
Established 1993

The Club Insider News is Published in Marietta, Georgia.

Those wishing to reproduce any portion may do so, provided it is not for resale in other publications.

Reprints for commercial use are available by request.

PUBLISHER AND EDITOR - Norm Cates, Jr.  
I.T. DIRECTOR AND ASST. EDITOR - Justin Cates  
WEBSITE DESIGN - Justin Cates  
PRINTING AND MAILING SERVICES - Walton Press  
www.waltonpress.com

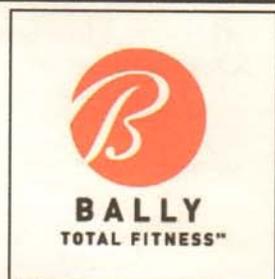
### The Club Insider News

P.O. Box 681241, Marietta GA 30068-0021

(O) 770-850-8506 (F) 770-933-9698

Email : clubinsidernews@mindspring.com

www.clubinsidernews.com



their progress as 'remarkable'. Moreover, during the past year, Toback and team have been dealing with a Security Exchange Commission's mandated re-statement of Bally financials for the past several years.

Frankly, given the intensity of the personal attacks by Liberation and Pardus, Toback and team's effort to this author, was not just 'remarkable' it was 'admirable'.

You, my readers, all know as club owners and operators, what keeping up with your business requires. Imagine how an almost one year long battle involving multiple lawsuits between investors and your company back and forth would impact your ability to function. Throw in a constant barrage of SEC filings by Liberation and Pardus, a SEC required (See Bally page 28)



**Sales Makers**

**25 Years**



**Improving club membership  
sales & retention in 983 clubs  
across the United States**



**IHRSA  
2001 Wall  
of Fame  
Winner**

IHRSA25  
Las Vegas, NV  
Booth #2565

**MEMBERSHIP  
SPECIALISTS  
800-428-3334**

Email: [info@sales-makers.com](mailto:info@sales-makers.com)  
Website: [www.sales-makers.com](http://www.sales-makers.com)  
Fax: (845) 736-0508



# 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

\*\* 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

**...Norm's Notes**

continued from page 4

though I have great respect for MARK MASTROV, as indicated in additional writing in this issue, 24 Hour Fitness is now beginning to remind me of Bally Total Fitness 12 to 13 years ago when I first began publishing CLUB INSIDER. For about two years, I published a number of articles chronicling LAWSUITS AGAINST BALLY. That was during the MIKE LUCCI era, before LEE HILLMAN became Chairman and CEO. Last month I reported on a CLASS ACTION Lawsuit that had been filed against 24 Hour Fitness by a group of members and former members for "alleged" improper collections activity. I received a copy of a newspaper report chronicling that 24 Hour Fitness had just settled for a pile of dough, a Class Action Lawsuit brought against 24 Hour Fitness by about 30,000 former employees. 24 Hour Fitness reportedly settled these "claims" of employee abuse from people that allegedly and reportedly did not get paid for overtime and did not get breaks as re-

quired by California law during their work day. For the industry's sake and for Mark and 24 Hour Fitness, I sure hope they settle that suit too. Because, as I wrote last month, if they get any aggressive legislators involved in proposing new laws with "collection conditions" or "prohibitions" then hold onto your hat! STAY TUNED!

• Speaking of Lawsuits read this: Fitness Funding, LLC, (FFLLC) is a Florida limited liability company, owned by real estate developer, DAVID ORTIZ. Ortiz's FFLLC, Plaintiff, filed on January 6, 2006, two weeks before the club opened, a NOTICE OF LIS PENDENS against ABOUT FAMILY FITNESS, INC. (AFFI) AFFI is a Florida Corporation owned by principals, MARTIN S. FUCHS, JAMES LEWIS, KENNETH WORKMAN, JEFFREY B. KAHN, individually, and JEFFREY B. KAHN, P.A. The lawsuit was filed in the Circuit Court of the 17th Judicial Circuit in and for Broward County Florida. The Defendants above are the group that had become involved with so-called consultant, BRIAN

HOMAN, the same person that made off, through his company Tools Management, Inc., with over \$200,000 from 8 different health clubs across America. One club lost \$70,000 in Fort Worth, Texas, another lost \$45,000 in Poway, CA. and a third, lost \$20,000 in Delaware, to name a few of the 8 different club owners I have spoken with. Watch out for this Homan guy as he may soon be thrown out on the street and will be looking for a job. This Homan guy is a two-footed health club industry predator. And, I will not REST until I see to it that Homan is a health club industry PREDATOR NO MORE. I am going down to Southeast Florida soon to see my RICH PALS, DEAN and M.J. KACHEL (see story on page #6)...so I am going to be sure to stop in and see the new About Family Fitness Club because I heard it is quite nice. On the only positive part of this note, I am very happy for the members that the club was able to open, given that AFF was \$1.2 million short! STAY TUNED!

• MIKE GRONDAHL has reported 79 Planet Fitness

centers sold 38,562 memberships in January. The average Planet Fitness facility sold 488 memberships at \$10 to \$19 per month. STAY TUNED!

• "Reasons...I've GOT reasons. I've seen the other side of your face!"...was a phrase captured in the legendary movie, "One Eyed Jacks", Marlon Brando. Every year for the past 13, on so many occasions I've lost count, I've urged you to attend the IHRSA Convention and Trade Shows. I do not promote IHRSA just because RICK CARO and I, and five others, founded the Association and I was the first President 25 years ago. Every year about this time I promote IHRSA attendance like heck, to the point that I know to some of you, I become a PEST! But, I promote the IHRSA25 Convention and Trade Show because I am absolutely 100% SURE that YOU and YOUR CLUB will benefit greatly if you will make the investment of capital, time and energy to enroll in the world class IHRSA educational agenda, attend the Trade Show and NETWORK, NETWORK, NETWORK! I have tried to be

thorough in my writings over the years, but there is NOBODY that has EVER provided a long list of great reasons why YOU simply should not miss this event than IHRSA Executive Director, JOHN MCCARTHY published in his CBI Magazine Memo this month. So, for the REASON that this IHRSA25 event is so important and should be attended and supported you, I have reprinted John McCarthy's Memo on page #28. I mentioned in my notes above, the BEST REASON I can give for you to be there is to: NETWORK...meet new industry friends from all over North America and the world, learn from them and stay in touch with them, so you can continue sharing tips, secrets, successes and failures with them. NETWORKING, to me, is the SINGLE GREATEST Value of IHRSA. NETWORKING...that's the ticket...! Check out our advertiser's exhibit list on page #4 and be SURE to come and see me at Booth #2934.

• ROGER RALPH, one of our true industry leaders and thinkers, informs me that (See Norm's Notes page 10)

# AFFILIATED ACCEPTANCE CORPORATION

- ◆ Billing
- ◆ Inventory
- ◆ Point Of Sale
- ◆ Scheduling
- ◆ Member Retention
- ◆ FitTrak
- ◆ Personal Training
- ◆ Tanning



We have the most comprehensive front desk software available. AAC handles all of your needs, providing an automated, turn-key program, while retaining the lowest processing fees in the industry.



***"KEEPING YOU CONNECTED!"***

**1-800-233-8483**  
**www.affiliated.org**



### ...Norm's Notes

continued from page 8

the new *Hockessin Athletic Club* that he and partner, club owner veteran **BOB CARPENTER** are building in Delaware is "moving along nicely" and is on track to open in early 2007. Bob Carpenter is a long-time owner of the *Pike Creek Fitness Club* in Delaware and a really savvy owner/operator. Roger is a former IHRSA Board Member, long time owner and operator of the fantastic *Bel Air Athletic Club* in Maryland (now owned and operated by the *Wellbridge Corporation*).

• **CheckFree's Health**

and *Fitness Division* will host *CheckFree's 2nd Annual Technology Summit at IHRSA25*. **PETE KIGHT**, *CheckFree Corporation Founder and Chairman*, and our **CLUB INSIDER cover subject in January** will be the *keynote speaker*. The *Technology Summit* will be on *Monday, March 20th from 2:45 p.m. until 5:45 p.m. Be there!*

• I had a bad "Editing" day last month. In our January cover report with *CheckFree Founder, PETE KIGHT*, I mentioned one of the great *CheckFree Corporation's* team members, **BARRY BLEUR**. My friend, **SCOTTIE MANION**, also of *CheckFree*, informed me

that I had inserted an **R** in **Barry Bleur's** last name, between the *e* and the *u*. *Sorry Barry!* My bad editing day continued when an **accidental R** was included in **Pete Kight's** name one time, renaming him **KNIGHT! Sorry Pete!** My sincere apologies to **Pete** and **Barry** that I apologize for these **R** and **N** mistakes! Don't miss the *CheckFree Technology Summit!*

• **Congratulations** to **JOHN MILLER** and the *five owners* of the *Courthouse Athletic Clubs in Salem, Oregon*, as they recently *entered a sale and lease-back deal*, allowing them to pull out **\$22.5 million!**

• **Congratulations** also to **DEAN** and **M.J. KACHEL**, *26+ year owners* of the *Quad-range Athletic Club* as on *January 31, 2006* they *sold their club to a local veterinarian for \$4.3 million*. The vet is converting the building to a pet hospital. See the article on *page #6*.

• I am very happy to hear from **DONNA KRECH**, the *Founder and President* of *Thin and Healthy, CLUB INSIDER Contributing Author* and advertiser, that she has gotten into *SHOW BUSINESS!* Donna will appear on *Oprah's Oxygen Network* on *Saturday mornings*, beginning in *March, 2006!* On *TOP OF THAT*, Donna is in discussions with *The Success and Training Network (TSTN)* to host a show that will begin *airing in April, 2006*. The *TSTN* show being discussed will be about accomplishing fitness and weight loss goals, as well as attaining entrepreneurial success. Donna writes: "We have now *5 different ways* for folks to get involved with us, so whether it's a big *Gold's Gym* (several of them are looking to get involved with us as I speak) or a

*struggling women's club*, we can help them make more money and make a big, positive difference in their community! I truly believe we can be a real solution for the *30-minute clubs that are struggling and my heart* has always been with people wanting to achieve the "American Dream". Our internet business is expanding well! Our seminars and tele-seminars are getting great responses too! Things are really going well!!! I look forward to seeing you in Vegas!!!!!!" **ME TOO DONNA!**

• **Crunch Fitness** has named **David Fowler** to the position of *Chief Operating Officer*.

• I would appreciate it and considerate it a **PERSONAL** favor from you, if you would be sure to visit our advertiser's exhibits at *IHRSA 25*. Again, their *Exhibit #'s* are on *page #4*. And, please bring your check book and be prepared to make the best deals you will ever find and **BUY** from them! Our advertisers **DESERVE** your visit and your business, because were it **NOT** for them, this first ever, *40 page CLUB INSIDER* and all others over the past *12 years*, would **never** have been produced. *400 exhibitors* will seek your business at *IHRSA25*, the biggest club business Trade Show in the world. The prices will **NEVER** be lower for equipment, products and services than the prices available in *March in Las Vegas!* **BUT**, let me give you two **PASSWORDS** with our advertisers for even better deals: "**CLUB INSIDER**"! I am **SURE** our fine advertiser's will...**SWEETEN** their offers when you get into heavy negotiations with them, if you just lean over and whisper these

two words in their ear: "**CLUB INSIDER**". Now here, for the protection of all of you, I must reluctantly mention an email I received from an anonymous writer who is a *very upset customer* of a prominent industry club product supplier. The email claimed that this writer had ordered goods from a supplier and *had not received delivery of the products for nearly 2 years!* I am now investigating this writer's allegations. I cannot, in good faith, mention this accused company. But, I would like to make a little suggestion to you when you make purchase orders with any company. My suggestion is: I) be sure the supplier defines in writing the promised delivery dates and especially, your FULL REFUND TERMS, should the supplier not deliver per the terms of your purchase agreement. Don't forget folks, **COME** to *IHRSA25* ready to buy from our **CLUB INSIDER** advertisers whose ads appear in this and past editions!

• **GOD BLESS** our Troops, Airmen and Seamen in *IRAQ* and the Middle East as they fight on for Freedom and another Democratic foothold in the Middle East. **GOD BLESS** the families of all of our servicemen and women, as these families of U.S. Servicemen and women sacrifice greatly. **GOD** help those poor citizens of *IRAQ* as they try to survive to enjoy the changes being made by American sacrifice in their country. And, **GOD BLESS** all of you in this exciting New Year. May he bring you, your family and your club health, great happiness and more profits! **STAY TUNED!**

# FRIDAY REPORTS

Weekly Marketing Insights  
For The Club Industry

In Our 11th Year  
Subscribe Now, Call  
800-778-4411

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

▶ Only \$189.00 per year (Less than \$3.75 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  
mgmtvision@aol.com

Norm Cates'  
**THE Club Insider**  
 NEWS

**Seeks Contributing Authors!**

Contact Norm Cates  
 (770) 850-8506  
 or Email:

**clubinsidernews@mindspring.com**

maximize your club's growth potential. maximize your club's profits.

# Get the management tools you need to grow your club.

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



ABC offers all the club management tools you need to manage your club and maximize your profits.

Club Software **Solutions**

Payment Processing **Solutions**

Sales & Marketing **Solutions**

... **DataTrak Club Management Software.**

DataTrak, our proprietary browser based club management system, was designed and built using the concept of centralized data and provides our clients a wide range of services to efficiently operate their club. DataTrak is loaded with the essential tools you need to manage your club.

... **OnLine Club Management Center.**

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, increase sales and improve your bottom-line profit. 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".

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



P.O. Box 6800 • Sherwood, AR 72124 • 1-800-622-6290 (option 3) • Fax 501-992-0801

...Best of  
continued from page 3

questions shown will have just the question # preceding the question.

1. In your own opinion, what is the single greatest thing a club owner/operator can do to succeed, when the club numbers and oversupply of club products in North America is outpacing the membership growth, thus creating an excess club supply that very likely will result in a club industry 'shake-out'?

2. When consulting with a club owner, what steps do you take to cause an excellent, very productive working relationship with your client to happen? What makes a "good client"? What makes him ready to benefit from your consulting expertise? How do you help him to "use" your services fully?

3. What is the main area you consult in? How have you made a difference with

your clients and their success?

4. How do you define a successful consulting assignment?

*Satisfied Club Consulting Client shares the Value of Consulting Help to Their Gold's Gym Group*

Perhaps, this single comment shared below by Skip Johnson, Managing Partner and son of Gordon Johnson, the owners of 3 very successful Gold's Gyms in Douglasville and Marietta, Georgia, sums up the VALUE that a club owner might get from a long-term, well-done, consulting relationship.

Skip Johnson says, "I firmly believe the consultants that we have used over the years have given us quite an edge. For example, in my opinion, two of the sharpest guys in the consulting business are Ray Gordon and Eddie Tock at Sales Makers. As our company has become increasingly systematized,

Sales Makers has been an integral part of that process by helping us implement sales systems which are practical, effective and based on years of experience. Fundamentally, the training boils down to our core belief in continuous education for our staff, which in turn leads to a better experience for our members and guests. It's simply something that we believe in, and gratefully we have found outstanding consultants in Sales Makers to partner with us."

I am happy to present the answers to the aforementioned questions provided by our February cover subjects, **Rick Caro, Ray Gordon, Sandy Coffman, Eddie Tock, Karen Woodard-Chavez, Bonnie Patrick Mattalian and John Brown.**

**Understand the Battle You Are In and Find Help!**

For some clubs, mere survival is the key right now. But, once you've made it beyond survival...profits can begin to be honed by innovation and product growth within your club. For other clubs, way beyond just "survival", increasing revenues and honing profits are the goal right now. Profit growth requires multiple focuses and multiple disciplines, a plan to develop and execute and daily attention and focus.

For you that are reading this that are in a survival situation and are lacking hope, Hope is on the way. Just read this entire article! And, remember first that hope, is first generated by mere survival. Survival may be grown into success through new ideas, new education and new training combined with passionate dedication, creative thinking and innovation. You can truly grow as a person to make your business a greater and greater success as the years go by. But...get some help.

A good club industry consultant could make a world of difference to you right now.

**Comments From the "Best of the Best" Club Consultants**

I am happy to present the comments of seven of the "Best of the Best". These individuals can be available to help you in the near future. But, there are many other terrific club consultants out there, including **Jim Thomas**, one of our adver-

tisers whose ad appears on page #22 of this issue. Additionally, **Stephen Tharrett**, my friend, former IHRSA President and a new CLUB INSIDER Contributing Author, (see Steve's article this month on page #24), is now accepting "one-on-one" consulting assignments after entering the consulting field from an amazing 25-year career in the club industry, the last 10 years of which he worked for Club Corporation of America, the world's most prestigious and largest club company.

**RICK CARO - Founder of IHRSA and President of Management Vision in New York City**

Rick Caro and I have been friends since 1978, when he and I were elected in Sarasota, Florida to serve on the National Court Club Association (NCCA) Board of Directors. Rick Caro is hugely dedicated to the club industry. I am very saddened to report to you that Rick's beloved mom passed away on February 11th. May she Rest In Peace. He is so dedicated he gave his interview from Madison, WI., where his family had gathered for her last few days.

I would like to say this about Rick Caro, one of my best friends in all of the health club industry. I do not know of any club owner/operator in this industry that does not have great respect for Rick Caro. Rick Caro is the single greatest club consultant in our industry. Moreover, Rick's brainchild, "IRSA", now called IHRSA and under the terrific leadership of "Big John" "The Alliance Master" McCarthy, has changed the health, racquet and sportsclub industry worldwide, more than anything or any organization in the history of the club industry. Suffice it to say that Rick, after a period of time, will again be available for "one-on-one" consulting assignments. **GOD BLESS Rick and his Mom and Family. To reach Rick Caro for consulting advice in his 7 areas of focus call Management Vision, New York City, (212) 987.4300.**

**IHRSA Founder and President of Management Vision in New York City, Rick Caro**

1) First of all, in question #1, you highlight the fact that you believe that there is perhaps either an over supply of

clubs or will be an over supply of clubs and therefore, a shake-out. I don't agree that that's the case, based upon what I know and certainly, based on statistics. The growth that we've had in clubs is based on Yellow Pages listings. So, the challenge we have is that many of the listings in the last three years, in particular, have been express clubs. That is club's that have a typical membership level of somewhere around 300 to 400 members, where a typical "regular" club might have as many as 3,000 members. So, you have, in effect, what would take as many as 7 to 10 express clubs to equal one "regular" club. If you then took the 8 to 9,000 clubs that are express clubs that have been created around the U.S. and who advertise in the Yellow Pages, the 8 to 9,000 express clubs might be equivalent to only 1,000 new "regular" clubs. When you factor that in, what you find is that in effect, the number of members who have been added to the membership roles on a net basis, actually is paralleling or exceeding the number of clubs that have been created. So, I am not sure that I agree that we have a problem yet. There may be one in the future, but I do not see an over supply at this point.

In addition, I don't believe we're seeing a substantial number of clubs going out of business in greater numbers than we've seen before, and certainly not as a proportion of the number of clubs that exist in the U.S. I am not sure that the hypothesis is correct, but IF you asked me: 'What is the greatest thing a club owner can do to understand how to deal with a market place?', the first thing that they should do is to hire an industry expert to conduct an independent market analysis measuring supply versus demand in that market using club market analysis methodology and using proper drive times to define a market properly, not 5 and 10 miles, but more like 8 and 12 minutes from the proposed site, defined by prime times in the evenings for a suburban market and 8 to 12 minute walking if the club were in a downtown urban market. Then, the analysis by the independent person would be either a "go", a "no-go" or a "marginal situation." If it were a "go", obviously the developer/club owner would be very re-enforced to go forward, (See Best of... page 14)

**JLR Associates announces the placement of Brooke Cormier Fitness Director The University Club**

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) 251-0094  
jr@jlrassoc.com

www.jlrassoc.com





2006  
CATALOG  
available  
now!

**NATIONAL  
GYM  
SUPPLY**

# NATIONAL GYM SUPPLY

**The number one resource for fitness professionals!**

- *Parts & Electronics for Cardio Equipment*
- *Electronics Repair*
- *Weightroom Supplies*
- *Tools for Trainers*

CALL OR CLICK FOR YOUR FREE CATALOG TODAY!  
**1-800-GYMPART / WWW.GYMPART.COM**



**We've got you covered!**

...Best of  
 continued from page 12

if it were a "no-go" they should stop dead in their tracks and if it were "marginal" they either need to "right-size" the facility to meet the market needs or what they need to do is perhaps move it to a slightly different location nearer the density of the population. But, I do not believe that anyone who goes forward who has not been in the industry and in some cases, those who've been in the club industry, but are not experts in market analyses, should even begin to go forward and create a business plan without knowing for sure that the market can support the basic theoretical concept they're contemplating, at the site they are proposing.

2) The first thing necessary to be successful in a consulting relationship is to break down the key elements of what the consulting assignment undertakes in terms of what are the different steps, what are the different elements of those steps and what will be the end product or the end result once the assignment is completed. It should include timing and costs. And, it should include one other thing, which is what information and what items need to be requested from the club operator or club ownership that will need to be provided in order for the assignment to go forward and to be successful. So, this provides a proper concept of what will be undertaken and everyone has an understanding of what each one has to do in order to be successful in that relationship. There is a time frame and a cost involved. And, when everyone understands what the end result will look like in terms of work product or a report or an analysis or what it is, then there shouldn't be many questions of understanding at the outset of what will take place along the way and what the final conclusion will look like. Also, what is involved here is that there has to be a readiness factor, that is a client has to be willing to participate in the consulting process, has to at least at the very basic level, listen to the consultant and hopefully, maybe take action, if warranted, as a result of what it is the consultant has advised. In order to really take advantage of the consultant, one should make sure that the results are interpreted for the client, so they really understand what is being said, not on just a piece of paper, but how it translates to them in their particular situation so they really have a full understanding of what the consulting experience really means to them. They should also be available to help with the implementation, if applicable, so that if someone says, "Gee, you told me here is what I need to do" and they are somewhat paralyzed and uncomfortable with the early steps and how to take advantage of that, then that seems to me to be something that a consultant can really help with and make a big difference. It seems to me that for whatever reason, the challenge for some people, is that when they get a report, it may end up

on the shelf as part of a club library, when in effect, what you want that report to do is to be the beginning of a plan or a business attack on changes and action items that will make a difference to the club and if they need help with that, then the consultant should be encouraged to participate and coach them as to how to then implement what it is that was decided.

3) There isn't just one area we focus on. Management Vision has really focused on 7 niche areas for a number of years now. And, we did a lot of those things in that period of time. So, the first one Management Vision does is spend a lot of time doing market analyses on sites for clubs. We've completed over 850 of those over the last many years. And, we've done a lot of club's independent club valuations and we've done over 300 of those. We've done a lot of expert testimony in over 40 some cases we've been involved in testifying. We also help analyze and help people in either creating club financial projections or help analyzing club financials for existing clubs. We've done probably more market research and member research than anyone else. Member surveys, focus groups, mini-surveys and helped clubs implement change as a result of what the members are telling them. We've helped as a consultant, not as a broker, people buy and sell clubs. And, we've served on club board's of directors in a number of cases. You asked about what a difference we've made with the clients and their success. We've been fortunate that some clients actually do listen to the consultant where a market analysis said it was a "no-go" and they should not build a particular club at a site and they didn't. That's always reinforcing, because it's very hard to burst someone's dream or burst their bubble, even though it might be the right thing to do. And, it's really fortunate when the client listens and decides that they still want to go forward and look at other sites and have those analyzed, or when stopped dead in their tracks, they realized what was attracting them to a particular site was the fact that maybe the landlord was willing to create a favorable deal. What was really driving them was they thought they were getting away with some special circumstances. They were not understanding that the reason why the landlord might be encouraging them is because it was not an attractive site, it didn't have the market to support it and even at any price of rent, including no rent for a considerable period, the facility might not be successful ever, given the market conditions. Another focus is where we've helped create sales of clubs where there have been deadlocks and we've been helpful to really educate people as to what were realistic deals and why they should accept or not accept a deal based on real industry valuations and industry practices. We've also helped in court cases where clubs have had litigation involving landlords and insurance companies and other third

(See Best of... page 15)



Daron Allen  
 CEO  
 Visual Fitness Planner

"Visual Fitness Planner wants to extend a special thanks to our customers. We are excited to be working with many of the recognized industry leaders. XSport fitness is one of those customers and we value your business. Thank you!"



Victor "V Man" Verhage  
 Educational Director  
 XSport Fitness

Dear Daron and the fantastic VFP™ Team,

I'd like to take a minute to share with you the amazing increase in business we have experienced since we added Visual Fitness Planner™ to our sales process for both membership and personal training. No longer are we simply selling "brick and mortar", but rather we are now presenting personal solutions to each prospect and member.

VFP™ has also played a critical role in increasing our nutritional products income. The custom designed supplement recommendation tool you built for us is a powerful method to display, narrow down and select products based on an individual's needs and goals.

We found using VFP™ in our customer service department has even helped us save members who were ready to cancel.

The standard VFP™ is a wonderful tool in itself. However, the way you've customized the technology for XSport Fitness has turned the sales process into a "Powerful, Life-Changing Experience."

One last thing...the research that VFP™ is based upon was validated by a Ph.D. in Medical Physiology. That's just what we needed to build excitement and value among our staff, members and prospects.

Thank you!

Victor "V Man" Verhage  
 Educational Director  
 XSport Fitness  
 victorvman@yahoo.com  
 (630) 816-4332

XSport Fitness is an exciting, growing company looking for qualified individuals to help grow their business. For more information call 877.417.1450 or visit us online at www.xsportfitness.com



**YOUR SALES SYSTEM.  
 OUR TECHNOLOGY.  
 GREATER PROFITS.  
 GUARANTEED!**

CALL OR E-MAIL TODAY  
 TO SCHEDULE A LIVE DEMONSTRATION  
 WWW.VFP.US 877.837.1212 INFO@VFP.US

...Best of  
 continued from page 14

parties. We've helped educate the court to really understand the club industry, so we've had success in lowering people's real estate taxes by 40% or more. We've had landlords, because they misrepresented things as part of the lease negotiations, have to pay hundreds of thousands of dollars back to clubs and let them out of leases where appropriate. We've also been successful in helping partnerships where there has been a deadlock trying to get one partner to sell to another and leave. We've helped in those situations. There have been a number of situations involving litigation, where we've really made a difference.

4) How to define a successful assignment I think goes back to what I said earlier. If you define, at the outset, the scope of the assignment and you collaborate and teach the client along the way, so the client is really getting empowered with information. And, he is understanding how it is that the consultant is looking at this particular situation. He understands that the consultant is teaching along the way, not waiting for a final report, but actually interacting and teaching along the way. And then, obviously, explaining the results to him, so that he has the opportunity to achieve benefits from the consulting experience, not just be a little more learned, but really know how to apply that new information that new skill, that new insight. And, when you can achieve results for the client that may be equal to or greater than they expected and do it for a lower price than was quoted, then you really have a very successful experience for both the consultant and certainly the club. What it leads to is obviously, a continuing dialogue and in some cases, a friendship that goes on for many years and that's what is really special about this industry. Over the last ten years, we've assisted more than 1,300 clubs and club companies.

**CLUB INSIDER** – That's why you've been the #1 club consultant in the world for a long time Rick. And, I want to congratulate you in advance of our 25<sup>th</sup> IHRSA Anniversary on your brainchild, your creation of IHRSA. I know thousands of club owners and managers out there that are much, much better off and in fact, clubs that are still in business now, because of IHRSA. So, it's been fun for me and I congratulate you. I am really looking forward to presenting you and John McCarthy with CLUB INSIDER's 3rd Annual Health Club Pioneer of the Year Award at IHRSA25.

Ray Gordon  
 Founder - Sales Makers

1. What's with this "shake-out"??? Most of the club's that are Sales Makers clients achieved or exceeded their January goals! Three of them had the best



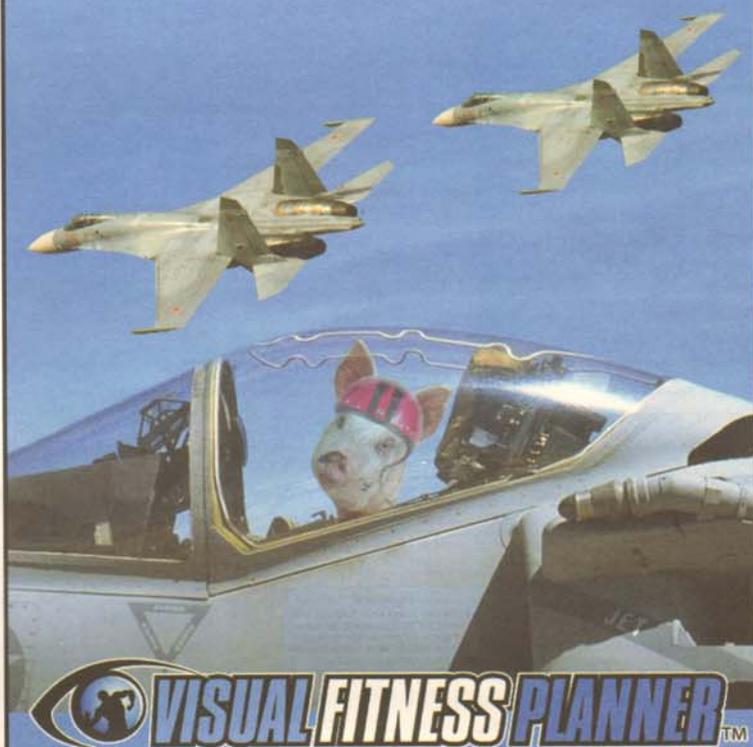
Ray Gordon

January in the history of their clubs, even though their dues are currently higher. A couple of very established clubs that now have major competition with substantially lower dues have had increases in membership sales of 20% to 44% in the last six months. Yes, there are a lot more clubs and certainly a lot more competition in almost everyone's market. In addition to large health club chains, PT Studios and small "Woman's-Only" centers, a substantial part of that competition also must include internet training and nutrition programs plus home equipment. However, on the other side of that, there is a tremendous increase in potential. The American public is like a big ship slowly turning with the realization that regular exercise must become part of their lifestyle. The club owner/operator must make a justifiable difference in the new "non-exercising" member's life and health. Usually there are numerous increases in potential health benefits long before there are any visible physical changes in their bodies. Your I.H.R.S.A. membership provides you with up-to-date studies proving this. Club owners/operators must require and monitor that the membership staff professionally motivate/educate these novice members during their crucial first 45 days of their membership. To accomplish this level of success, the owners/operators must charge reasonably substantial dues. The high-volume, low dues competition is part of the current market, but I don't think trying to compete with them will pay the mortgage. Earning retention and referrals is the name of the game in quality clubs.

2. Club owners/operators come in every size, shape and personality that is imaginable! Some are great in management, others great in sales or programming or just have great people skills. A good owner/operator allows Sales Makers to customize their proven profit procedures system around their strengths and implement critical checks and balances for the membership department. All too often, what club owners have to deal with on any given day or week is keeping all the plates spinning...that's where Sales Makers comes in. We can provide a concentrated focus on the membership process and at the same time provide a completely objective view and evaluation (See Best of... page 16)

"Double our personal training sales???"

"Yeah right, when pigs fly."



Still using a flip book to sell?

Why is the most important piece of equipment in your club so out-of-date? Visual Fitness Planner (VFP) is an interactive, customized sales system. Our technology combined with your system is guaranteed to increase your profits.

Call or email today to schedule your live demonstration of the Visual Fitness Planner!  
 877.837.1212 info@vfp.us www.vfp.us

## ...Best of

continued from page 15

on the club and its staff- which is an *extremely challenging task* for club owners. Consider for a moment the juggling act of a Grand Opening... construction, budgets, advertising, hiring, training, community involvement, inspections, organizing departments, ordering product, accounts payable and then the *unexpected takes place in any or all of those areas at the same time*. We're providing "Opening Insurance" for a fraction of what the club owner's investment will be. The heart of our results is still the training we provide, but we also know what works and what doesn't, when it comes to advertising and many times the savings in advertising alone will cover the fee for our visit.

3. Educating the employees that represent the Health & Fitness industry has always been a responsibility and an honor for Sales Makers. Membership sales are not *just the selling of memberships*. It includes the responsibility of doing everything possible to help the new member achieve a healthy lifestyle.

4. Increasing membership sales is important, but it is just part of the goal. Training a team of professional membership advisers is important, but it is just part of the goal. Increasing referrals in long-term retention is important, but it is just part of the goal. Achieving any of the above can be deemed as a success, but the real goal is to implement a proven system that fosters continued growth and success. Mary Kay Ash says: "Ideas are a dime a dozen. People who implement them are priceless" People that invest their time to improve their success rates are an inspiration for us to teach. They learn systems to help and not only their clubs profit, but they also learn how to help change America's exercise habits.

Jeff Masten and Shawn Codd are also important Sales Makers Team Members. You may contact Ray Gordon at Sales Makers (800) 428.3334. Also, see the Sales Makers ad pg. 7.

Sandy Coffman, President  
 "Programming For Profit"  
 The "Queen of  
 Making It Fun!"



Sandy Coffman

1. The single most important ingredient an owner/operator must have is to know (or learn) how to have fun, to be fun, and to create fun...in every department, activity, or program and make sure it's delivered every hour of every day by every instructor, trainer, and employee of your club. We must create an environment whereby every member looks forward to coming to the club for the sheer fun of it. Their workout will follow.

2. First, I have an interview (in-depth conversation) with the owner/operator to find his real wants and needs, and then explain what I expect to do for him. And, I try to experience the club through the eyes of a new member and share that experience with the staff. I am honest with my observations, make honest, educated suggestions, and tell them what to expect as a result. The key to our successful relationship will be follow up, follow up and more follow up.

3. The main areas I consult in are customer service, programming, and retention, but they really must be considered all in one and not separately.

A. Customer service is ultimately the programs that you offer your members - how you market them, how you deliver them and how you follow up on them. Retention is the result of the members' response to their experiences in the programs. Since people respond to people, the first order of my business is to evaluate those that have been hired to run the programs and how they have been trained to deliver the customer service. Actually, retention is the result of excellent customer service and programming! Attrition is the result of ho-hum customer service and programming.

B. I make a difference in the overall culture

of my client's club, and the best news is that the difference begins immediately and can last forever.

C. Have an honest assessment of the needs of the club that the owner/operator and I agree on.

D. The whole staff must be apprised of our goal and to be part of achieving it; even if the consultation service is focused on one area or department.

E. A successful consulting assignment is when the club works toward a goal and achieves it. I am happy when my client is happy.

Contact Sandy Coffman,  
 President of Programming For Profit: (941) 756.6921.



Eddie Tock

Eddie Tock  
 Principal - Sales Makers

1. When you speak to most club owners about their biggest challenges, the word competition inevitably comes up. To stay "competitive", you must constantly change and adapt. They, who adjust, survive!

Every club has three challenges. And in our experience, most of the club owners tend to only focus on the third challenge, the one they have the least control over!

The primary challenge is looking inside your business and objectively deciding:

A. Do you have the right systems to be successful, in sales, in customer service, in fitness, in new member integration, in retention, in management, just to mention a few.

B. Do you have the right staff in place, with the proper training, education and motivation to make them successful? (Jim Collins, author of "Good to Great", would ask: do you have the right people in

the right seats on the bus?)

Once you have mastered the first challenge then the next challenge is to get as many non exercisers as you possibly can to come in, try your club and become a member. (Until very recently, something that only Curves has done successfully!)

And finally the last and least controllable challenges are the other clubs or gym down the street! You can not control what they sell, how low they sell it for or what they have. Yet, this is usually where the majority of the club's energies are spent, and many times in frustration!

Every club owner and manager must clearly show their customers their points of difference. You can no longer "claim" to be better or have the biggest or the most or the only of anything...everyone has quality equipment and a clean club. Your staff and the education, motivation and on going training that clubs should provide will give them the knowledge, skills and motivation to distinguish your club from the other buildings in town that happen to have a "gym" in them. Your members must feel comfortable and get personal attention from your staff or they will leave. Your staff, especially your managers and sales teams, need to learn to become rainmakers. Rainmakers are not born. Rainmakers are made!

Clubs and sales people who have a 100% commitment to doing whatever it takes to elevate their sales to a whole new level are the ones most likely to succeed. The commitment first needs to be to develop or learn effective systems that make it easier for the new member to buy, rather than be sold. The best return on investment any club can make is in the training and on going education of the people!

In the future more investment will be made by independent clubs in staffing and training than will be made on advertisement. I believe all sizes and types of clubs can succeed. You just need to better define your market. The consumer now has more clubs and more choices. Independents need to build a staff that has a supervised system. Many clubs out there would not even consider allowing their fitness staff to be operated as their sales staff is.

2. We realize that clubs and owners all have different needs and goals. In the past 25

years we have been very successful, have spoken at every conference in the industry and are a Winner of the IHRSA Associate "Wall of Fame" Member of the Year Award. And yet, we are still and always will be learning and striving to improve. We enjoy working with owners that are also willing to learn and striving to improve.

Proactive leaders recognize that change challenges people to grow and adapt or be swept aside, especially in the mind of the consumer. To compete in the world today, we must all strive to be different or "unique". Everyone says they're "the best!" but since the consumer has heard that phrase from everyone in every business and has not always found it to be true, most consumers are somewhat skeptical. To gain our market share, we must expand our knowledge, sharpen our skills, and manage our time more effectively.

A commitment to training can help your business survive! What most people call training, we think of as ongoing, focused learning. Only you can determine the type of learning you need. Learning is just like exercise, it should never stop! Learning is a partnership. Teachers can't change you. But if you're willing to change and learn, you can improve. An environment needs to be created in which you can discover and practice new ways of thinking. To grow and learn you just need an open mind. Too often, eliminating training is seen as an easy way to chop the budget. But when done effectively, training is enriching to your employees and your bottom line. It helps ensure your club's continued good health. You'd never say to your member, "Don't exercise anymore. You're done."

3. We focus mostly on sales and marketing, but even though we do this extremely well and have for 25-years now, we also work with personal trainers on their sales and other staff with customer service.

We strive to help clubs achieve 3 core competencies:

A. Knowledge and Systems- the learning never stops.... Here we follow a philosophy from Disney "People stay while they are learning and leave when it stops!"

B. Execution of that knowledge- do you know what to do with it?

(See Best of... page 17)

### ...Best of

continued from page 16

**C. Consistency-** do you do it daily?

Of all the 1,000 clubs we have worked with over 25-years, we feel only a few have achieved the 3<sup>rd</sup> level of competence, and yet when you speak to any of those clubs, they will all tell you that they know they can get better. That is why they are all market leaders. We strive to help every club achieve that 3<sup>rd</sup> core competence level...consistency.!

4. We have worked with many of the leaders in our industry over all these years. With some clients we provide new and more effective ideas and systems to help them stay competitive and get better results. Most of our clients have experienced a 12 to 30% increase in sales. With other very successful clubs that recognize the value of investing in their staff, such as Saw Mill, Maryland Athletic Club and Chelsea Piers Sports Center, we provide ongoing education, motivation and problem solving. And with our pre-sale clients we provide them with guidance and thanks to our experience of 192 pre sales, we help them get their results quicker, easier and most importantly, more affordably.

Our goal with every client is to help them achieve what they want to achieve and more. From their great results we hope to have them as a reference for us for the next 5 years. Contact Eddie Tock of Sales Makers at: (800) 428.3334.



**Karen Woodard-Chavez**

**Karen Woodard-Chavez**  
Founder and President  
Premium Performance  
Training

1. In any market, and particularly a very competitive market, clubs can anchor their success

by focusing on and consistently implementing the following three elements:

**A. A strategic plan** that creates a map of the bigger picture, which allows you to proactively drive what happens on a daily basis (rather than reacting to) in the areas of revenue, expenses, club culture, marketing, programming, services, staffing, equipment purchases and capital improvements.

**B. Creating a strong point of differentiation** in what the club offers the market. If a club offers nothing truly unique, then there is no value difference between any two clubs, and the market will typically respond to the lower priced option. However, if a club can provide distinctly different and desirable opportunities in each of the six areas of facility, programs, staff, services, equipment and culture, then the club can typically do so at a higher price and maintain, if not grow, market share. The message is to avoid being all things to all people.

**C. Create a C.O.W.** which means **Culture of Welcome** – meaning that every Member and every Guest immediately feels a part of rather than a part from the club. To achieve that every staff person welcomes the opportunity to serve Members and Guests. This is when every staff person seeks the opportunity to serve the needs rather than simply be willing to respond to the needs of Members and Guests. This requires that all staff take the position of being the one who initiates service rather than waits for a member to ask. This does not happen magically. Creating a C.O.W. is very intentional and takes consistent effort. The C.O.W. is very closely related to the strategic plan mentioned above, as it is a part of the culture of the club. The culture of the club is affected by the staff selection and training process and determines whom you are willing to bring on board or not bring on board and how you train them to deliver the mission, and genuinely live the culture of the club. This also reflects the previous point of differentiation.

2. In determining what will create a successful outcome and therefore a successful relationship, I assess how ready the club operator is to make changes. Through discussion, I typically find one of three things:

**A. A client is truly ready** to champion change.

**B. A client is simply wanting** a speaker to reinforce their message and/or 3.) a client is trying to make a statement to staff by bringing a speaker in with no intention of following through on anything that was presented. The most successful relationships typically are found in the first point that supports change.

What makes the relationship successful equates to clarity of the outcome, clarity of the consequence, if the outcome is not realized and clarity on how to follow through on all the elements of the training or consultation. This is a process of determining these factors prior to the visit and documenting them so all parties are clear. Once this is done, I begin my research and preparation for the onsite visit, which includes an in-depth survey about the club

or company as well as telephone conversations with 6 – 12 staff prior to my visit, to ensure that all parties are clear, ready and excited to make some changes.

After the onsite training or consulting, I provide the client with a written summary of observations and recommendations on staff, process, issues, facility and anything that will make their operations better and their offering more valuable to the Members.

3. I provide the following services to my clients: Marketing which includes strategic planning and branding to create differentiation in the marketplace, as well as tactical marketing to create more traffic to create more sales.

4. A successful consulting assignment is when the client feels that they received more than the defined outcomes. Con-

tact Karen Woodard-Chavez at: (303) 417.0653.

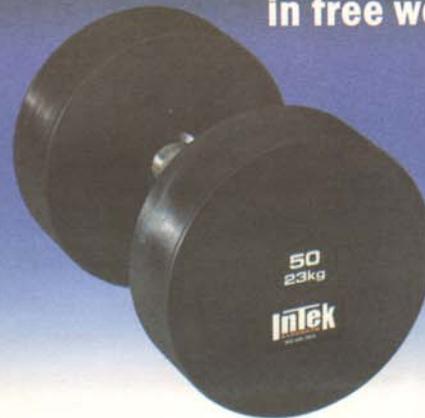


**John Brown**

**John Brown**  
Founder & President  
Pro Club Management, Inc.

(See Best of... page 18)

## Pound for pound, your best value in free weights



### The InTek Strength Promise

At InTek Strength, your complete satisfaction is our top priority. When you work with us, you can expect:

**Safe, durable, quality products**  
The technology involved in the engineering of our products is second to none. The InTek Pro-Solid Urethane dumbbell is simply a work of art, and you'll find that same attention to quality in all our weight plates, barbells and dumbbells. We're so confident in our entire product line, we'll match our warranties to any company selling a comparable product.

**Friendly, knowledgeable staff**  
We understand the different needs of different fitness facilities. Our experienced staff focuses on your individual situation and the needs of your facility. No cookie-cutter approach here. We

are personally committed to providing you the best product solutions and financing terms to serve the needs of your business.

**Fast quotes, on-time delivery**  
You're just minutes away from any quote. And with 1.5 million pounds of product in inventory, our turn-around time is nothing less than exceptional. Our goal is to make sure we can deliver your product when you need it. And, yes, we've been known to perform a miracle or two along the way.

We invite you to contact a member of our customer service team today and find out why InTek Strength is quickly becoming recognized as the industry's best value in free weights. Please call toll-free at 866-966-3825.



**Pro-Solid Urethane**  
Solid steel encased in urethane, no end caps or bolts, custom logos available



**Pro-Urethane**  
Urethane encased Olympic weight plates, dumbbells and barbells



**Pro-Rubber**  
Virgin rubber encased weight plates, chrome handles, urethane end caps



**Pro-Steel**  
Steel weight plates, chrome handles, urethane encased end caps

**InTek**  
STRENGTH

www.intekstrength.com

866-966-3825

Innovation & technology in free weights

### ...Best of

continued from page 17

1. "I believe the number one thing is to honestly evaluate/reevaluate all the operational aspects of your club to first, ensure you can sustain whatever current level of success you are having for the foreseeable future. Secondly, to make an objective evaluation on how you are performing and develop a clear "action plan", with the specific and intrinsic goals you want or need to accomplish". As an actual club owner, I'm constantly asking myself, are we actually performing as well as we can? My answer usually is "NO"; I'm never really satisfied with anything. My mentality on this has served me well over the years, always searching for ways to get better and do better. The real rewards I've found are

the "search" and the desire to never accept less than you are capable of".

2. First, I try to take steps in the relationship that set "standards" for the performance required in the relationship. As an example, I don't work eight (8) hour days. I work as much or more than is required, especially, when I'm "on site" with the owner. There are a few people who can "out think" me, but there is no one that can beat me by "out working" me. A "good" client is someone who is open and willing to think differently and learn. That requires that they be mature enough to move their ego out of the way. I really enjoy working with people who want to be "extraordinary" at what they do. There's a big difference between confidence and pride. I have total confidence and belief

in myself and what I can do. I attempt to help all my clients by taking the position: and asking the question: "What would I do if it was my money?" Since I have owned clubs and still do, I can understand "where the owner is coming from", because I do understand from wearing his shoes everyday.

3. 75-80 % of my consulting work comes in the "production" or "sales" arena. This is a business where "money solves most problems". Sales, training, systems, monitoring and management are my primary focuses, but I do many other things for club developers and owners, including business plans, management and marketing planning. But almost everyone I work with uses us to successfully design and develop their sales and revenue streams. I hope I've left all my clients

"much better off than when I found them". I know I have been instrumental in "saving" clubs and individual's financial futures. I'm also confident, especially when I start working with them from the ground up, that I have set many clubs up for current and future continued success. I also have been able, in most cases, to find "answers" or "solutions" for club people's problems. My goal is to always improve the quality of the client's club business life and to always be someone they will continue to trust and work with in the future.

4. I would define a successful consulting assignment in several ways. One, that I do a good enough job that I work myself out of a job, I want clients to take whatever I give them and "do it". I want them to be very able to "do it", whether I'm around or not. Second, I believe a successful consulting assignment is one that reoccurs over a period of years, not just for a short time. It's successful, when those who have relied on me in the past, still think enough of me to seek my advice again and again. Contact John Brown of Professional Club Management at: (281) 894.7909.

ity improvements, equipment, marketing and programs will be minimal at best.

Invest in your staff through better hiring practices, performance based compensation, training and development. Then manage the experience and the relationships with your members, vendors, community and industry networks.

2. We start by articulating business goals to help uncover any challenges. Sometimes clients have a hard time defining "done". We ask questions, and conduct an in depth analysis of the current vs. desired performance state. Our work is a results-based partnership. Requirements for successful partnerships include:

- Embracing mutual goals;
- Desire and readiness level to change;
- Clear communication channels;
- Trust in each other and the information/process;
- Shared values, integrity;
- Shared knowledge and commitment.

Our clients that benefit most from our services also participate in ongoing quarterly training, reserved for a limited number of selected clubs. We support the training with take home assignments at the club level, and consistent phone and email follow-up for accountability to help support the change driven by the training.

Our goal is to give clubs what they need to be successful, and then to let them run with it. We continue ongoing communication with a client even after a project is completed and send to them vital information that may provide some benefit to their business.

3. Club and Spa Synergy Group (CSSG) helps to deliver bottom line results for existing clubs and spas, or those under development. Our team of nationally recognized industry specialists have provided turn key solutions for individual departments, with proven performance in hundreds of selected facilities worldwide. This collective experience affords us the ability to help owners and operators make critical decisions that will save time and money.

Our strengths are in defining the problem statement, determining the performance gap analysis, providing solution (See Best of... page 19)

## "NUTRITION BAR OF THE YEAR"

BIKE MAGAZINE



"To say PureFit is just another nutrition bar is like saying U2 is just another rock band."

Robb Dorf, CEO

- Great Taste
- All Natural
- 40.30.30 Ratio
- High Protein  
18 grams per bar
- Non GMO Soy Protein
- No Wheat or Gluten
- No Hidden Carbohydrates
- No Glycerin or Sugar Alcohol
- No Artificial Sweeteners
- No Hydrogenated Oils
- No Trans-Fatty Acids
- No Animal Products
- Non Dairy
- No Cholesterol
- Will Not Melt
- 15 Bars To a Box

order online at  
[www.purefit.com](http://www.purefit.com)



PureFit Inc.  
 1.866.PureFit (1.866.787.3141)

info@purefit.com



**Bonnie Patrick  
 Mattalian**

Bonnie Patrick Mattalian  
 Partner, Club and  
 Spa Synergy Group

Those clubs that make a concentrated effort to know their members and create experiences to enhance the value of that relationship will likely thrive. It's time to start looking under the hood of your club to define new business goals and to figure out what the tie-in is to staff performance.

1. If your staff is not consistently performing at their peak, the ROI on facil-

Call Today  
 for a FREE  
 Sample Kit!

\*Shipping & Handling is \$5.00. Free kit includes 2 award-winning bars: one Peanut Butter Crunch and one Chocolate Brownie!

**...Best of**  
continued from page 18

recommendation definitions, and most importantly – implementation and change management.

For clubs that are starting up, our *in-depth feasibility analysis* provides a strong launching point for developing the business strategy. We provide operational systems, timelines and templates for successful implementation from vision to result.

4. *Change always takes longer than we'd all like. Any positive shifts that impact performance or growth contributes to current and future success. We provide our clients with a quality guarantee, stating that our work and leverage are directly impacted by the level of commitment from all partners and*

*stakeholders, and given that circumstance, our deliverables will be accurate.*

*Success depends upon the initial scope of work needed, and can be defined in ways such as: providing education and tools, resolving the initial problem statement, analyzing root causes, removing barriers to success, identifying potential solutions, closing the performance gap or delivering business results. A step towards reaching those goals is presenting focused problem identification and understanding how any move impacts the operations of the business, while minimizing risk.*

*If we've helped our client to execute the change or to open their new club successfully based on realistic timelines, strategies and goals, we've done our job. As a partner in their*

*business, our client's success is our success.*

*As our clients' success triggers business growth and development of additional clubs, we help them manage that growth and change. We've walked in their shoes and have an understanding of every challenge. Frequently we say to our clients, whether they're seasoned club owners or completely new to the industry - "We've got your back!". We educate, coach and motivate their staffs to embrace that same mentality and together we brainstorm opportunities and celebrate success. We navigate all the roads with you. Our maps and methods can get you where you want to be sooner. Contact Bonnie Patrick Mattalian of the Club and Spa Synergy at: (732) 236.2273.*

**Club Insider** - Is there a moral

*to this story? I think there sure is. I think true evidence of the value of just one visit from a veteran club consultant should help motivate you to pick up the phone and call your choices of our "Best of the Best" consultants heard from in this report. See my page #6 article about 26+ year veteran club owner, Dean Kachel, who sold his Quadrangle Athletic Club on January 31, 2006 for \$4.3 million in cash! To learn the moral of this cover story, read the article entitled: Kachel's sell Quad Club after 26+ years!*

*The "Best of the Best" Part II will include the following reports for a full rundown of the variety of services offered by those show below along with responses to the above four questions answered by our seven cover subjects:*

- "Brother Scudder"... "One of a Kind...A Prince of a Guy!"
- "Casey Conrad...Club Industry Dynamo Providing a World of Opportunity to the Club Industry!"
- "Clubdoc"...Mike Chaet's 30 Years Building the CMS Global Group STAY Tuned!

(Norm Cates, Jr. is a 32-year veteran of the health, racquet and sportsclub industry. Cates is the Founder and Publisher Since 1993 of CLUB INSIDER. In March, 2001, Cates was honored with IHRSA's DALE DIBBLE Distinguished Service Award, one of IHRSA's highest honors. Cates may be reached at: 770.850.8506 or by email at: clubinsidernews@mindspring.com)

*(In your day-to-day club operations battleground)*

*Do you need a philosopher-in-the-clouds ... or a soldier-in-the-trenches?*

**Professional Club Management, Inc.**

It's the Answer for all of your Club's Operational Challenges

- ✓ No nonsense
- ✓ Hands-on
- ✓ In the trenches
- ✓ Action-oriented



**John M. Brown**  
President, PCM, Inc.  
26 years in the club industry

Call for a *Free*

**Professional Club Analysis**  
*Our Experience is your Best Asset!*  
Start Today! Call Now!  
281-894-7909  
[www.clubexperts.com](http://www.clubexperts.com)

# CLUB BROKER

"I specialize in selling clubs"

Todd D. Lipton

480-821-8993

HealthClubBroker.com

Norm Cates:  
**THE Club Insider**  
NEWS

*Seeks Contributing Authors!*

Contact Norm Cates  
(770) 850-8506  
or Email:

[clubinsidernews@mindspring.com](mailto:clubinsidernews@mindspring.com)

# The Thomas Plummer Company...

## “In A Class All By Itself!”

By: Norm Cates, Jr.

Thomas Plummer is not featured in the interviews that appear in our “Best of the Best” cover story in this article because my criteria for choosing the individuals as cover subjects was based on their *current business activities*: I am focused in this report on the consultants that currently spend 80% or more of their work time as “one-on-one” club consultants, as opposed to seminar production and teaching and must be available for immediate assignments. The cover featured consultants are available for immediate assignments.

Thomas Plummer has grown The Thomas Plummer Company to become the premier (non-association) club business training organiza-

tion in the world. Plummer’s typical annual 2-day tour stops, described on our page #21 ad placed by The Thomas Plummer Company, draw 350 to 400 club people per session with over 4,000 independent club owners and operators attending each year.

In fact, I plan to attend and give a brief talk at Plummer’s Birmingham, Alabama, March 29-30 event. I hope to see you there. Beyond that, The Thomas Plummer Company club consulting division, led by Terry Van Der Mark does a huge number of “one-on-one” consulting jobs and writes business plans for industry companies.

Last month, in our January edition, I described Thomas Plummer as: “One of the greatest gifts God has ever given our health club industry.”

I have strong positive feelings about Thomas and his company, because I know the *value* of what Plummer delivers to club owner/operators/managers. I know the life and challenges club owners face, because I was a member of your ranks for over 20 years and at one time or another, owned or co-owned/developed/operated (or sold franchises) for 14 clubs in the Atlanta area and four Southeastern cities.

About four years ago, I had the pleasure of attending one of Thomas Plummer’s amazing seminars in Atlanta. At the beginning of that event in his warm-up comments, Plummer said, “Get out some paper and a pen. When I tell you to ‘write this down’, I mean just that. I want you to walk out of this session with written information that you can go back to

your club and put into action”. I filled up one half of a brand new yellow legal pad with at least one hundred ideas, concepts, procedures and comments from Plummer.

I wish there had been a Thomas Plummer seminar years ago when I owned and operated clubs, as I would have been overjoyed to have such a terrific base of information acquired in just two days. I hardly knew Thomas at the time of my attendance of his seminar in Atlanta, but have grown to know him much better, especially after publishing a CLUB INSIDER cover story on him a few years back. I urge you to go to the TPC website: [www.thomasplummer.net](http://www.thomasplummer.net) and carefully read the very first page. If this “fits” your mindset and even if it does not, you owe it to yourself, your club and

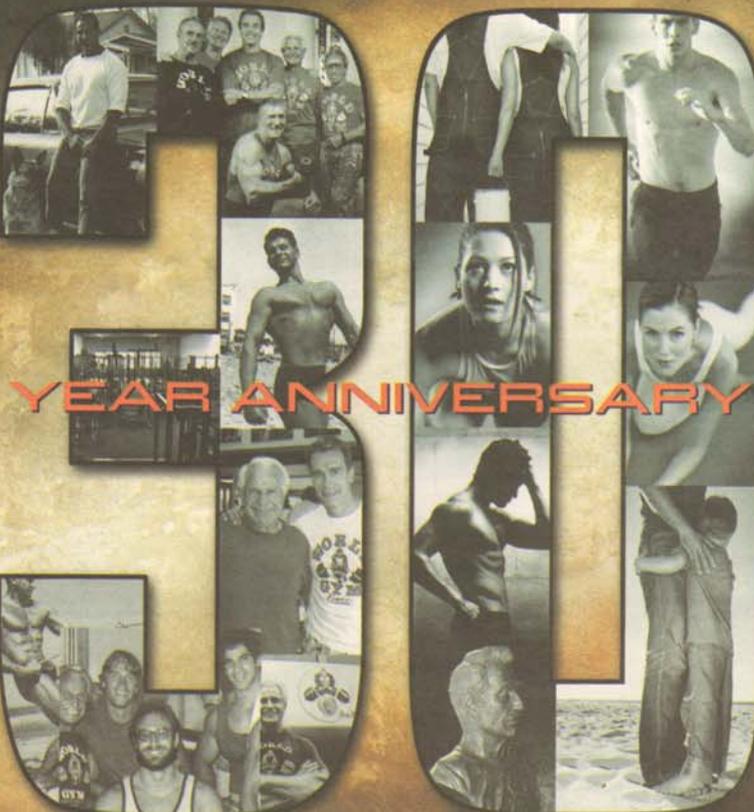


**Thomas Plummer**

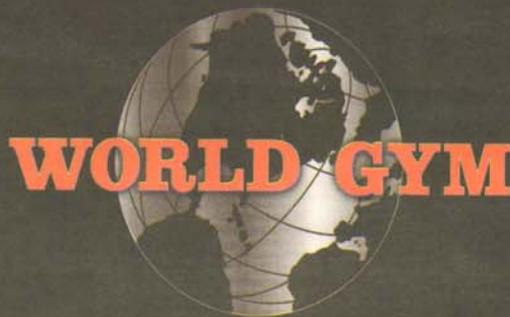
your members to attend the next Thomas Plummer Seminar that is available to you.

Suffice it to say, The Thomas Plummer Company is in a “Class of Its Own”.

- Norm Cates-



BECOME A  
 WORLD GYM OWNER



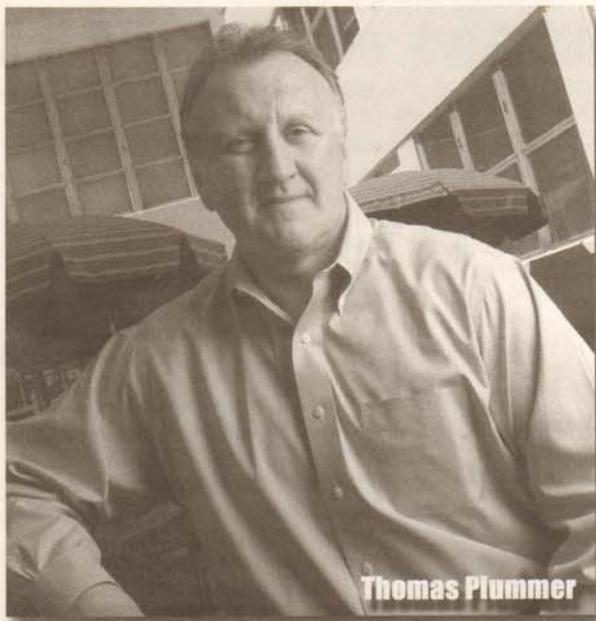
REAL HISTORY REAL FITNESS REAL RESULTS

3223 Washington Blvd. | Marina Del Rey | CA 90292

For Franchise Info Call: 800.544.7441

or Email: [info@worldgym.com](mailto:info@worldgym.com)

# ThomasPlummer.net



**2 Days, New Ideas, More \$\$**  
**It's that simple**

**If you run any type of fitness business...**

**Where do you go to get that one new idea that will change your company forever?**

## The Thomas Plummer Tour 2006

### Upcoming Tour Dates

**January 25-26**  
**Dallas, TX**

**February 22-23**  
**Tampa, FL**

**March 29-30**  
**Birmingham, AL**

**April 19-20**  
**Baltimore, MD**

**May 17-18**  
**Cincinnati, OH**

**1-800-726-3506**

**THOMAS PLUMMER COMPANY**

*The right answers, at the right time, for your business*

### Why you might consider a seminar this year...

We understand how hard your job is, which is why our seminars have been so popular for so many years. More competition, extreme price discounters, chain clubs opening all around you and staff nightmares are all a part of what you do every day in this business.

If you own or manage any type of fitness business, we have new ideas that will help you make more money and compete successfully against anyone. During the last year, Thomas Plummer Seminars have attracted thousands of people, including small training centers, the biggest chains in America, independent club owners, wellness and hospital facilities and even clubs that are in new categories.

It's been hard to make money in this business during the last several years but we have the ideas and resources to help you change what happens. New ideas and leadership is what the Thomas Plummer Company is all about, and we promise that if you give us two days, we can make a major difference in how you make money.

### In Their Own Words...

**-Every club owner, no matter how long they have been in the industry, needs to attend a Thomas Plummer seminar.**

Jason West  
North Columbus Athletic Club

**-Thomas Plummer is very fun and inspirational, the information is top notch, and I just enjoy being around other gym owners for 2 days.**

Ken Laurie  
World Gym Express

**-I look forward to attending and sending my staff to a Plummer seminar every year. I take something back each time that will help take my business to the next level.**

Mike Shirley  
Double Diamond Athletic Club

# Powering Up Your Business

## POWERING UP YOUR MANAGEMENT TEAM

### Part I

By: Will Phillips

#### The Fundamental Paradox for Business Owners

Of the several thousand business owners I have worked with over the last 30 years, few of them began their business because they enjoyed managing. They began their business because they had a *passion* for fitness and health. Once their business was started and began growing, they realized more and more the *value* in learning to manage the business. As you do this you realize that *managing a business is largely based on your ability to bring people together to work towards a common goal*. One CEO of a billion

dollar company said, "If you could get all of the people in an organization going in the same direction, you could dominate any industry, in any market, against any competition, at any time."

*One CEO of a billion dollar company said, "If you could get all of the people in an organization going in the same direction, you could dominate any industry, in any market, against any competition, at any time."*

This first paradox of the business world is for the owner to learn that *his passion, skills and interest in fitness and health take a back seat* to his or her ability

to get everybody rowing in the same direction.

#### Going Nuclear

The energy a nuclear power plant produces can be adjusted by the control rods. Push them all the way in and the nuclear fission stops. Pull them too far out and the reactor goes critical and may result in a meltdown. The concepts in Patrick Lencioni's book the "*Five Dysfunctions of a Team*" are like the control rods in your management team. In most businesses these rods are frightfully misadjusted so that only a fraction of the full power is generated.

In the last few years, two sets of *original thinkers* have applied fresh insights, along with massive data, to help you – the club owner – or department manager – learn how to dramatically *upgrade the power, productivity, profit producing behavior of your people*. The authors of these works are Marcus Buckingham and Patrick Lencioni. The material they present is absolutely vital and significant for every club owner, because people have left this thinking largely untapped. Reading about creative marketing approaches, unique selling propositions, and purple milk cartons will never get you as far down the road of business health, growth, and profitability as some of the *basics with teamwork*. Many CEOs put a few people management tools in place and then go on to the more exciting and creative aspects of marketing and selling. *This article is written to try to bring you back to the basics*. Applying what is presented in this material does not require great intellectual insight or special tactics. What it depends upon is your *courage* as a leader and your *diligence and persistence* in applying what is presented.

*'teamwork remains the one sustainable, competitive advantage that has been largely untapped.'*

The analogy of going nuclear is based on Einstein's formula  $E = Mc^2$ .

This means that a very small amount of matter can be converted into an enormous

amount of energy if you know how to do it! *This article shows you how to release an enormous amount of business power in the form of a top performing management team and a highly productive staff.*

#### Let's Begin With The End In Mind

The most important thing for any business is achieving results. First we'll look at how organizations fail to achieve results. From this, we will work backwards in a number of steps to the underlying causes. Once we see the underlying causes five layers deep, it will be possible for you to start correcting these dysfunctions and building an extraordinary management team at the top where everybody is pulling in the same direction.

First, decide if you have a management team or a management group. Many times people are included in the management team because of their position, yet they are not true members of the team. In other cases the business owner has a set of employees that follow his or her bidding, but they are not truly involved in making decisions.

#### The Criteria of a True Management Team

1. At least two, usually 3-7, and sometimes up to a dozen people that share common goals.
2. The goals require that the team members and their departments collaborate to achieve the organization's goals.
3. All team members set aside their individual or personal needs for the greater good of the team.
4. The team also shares common rewards.

If your team does not have these qualities, *it's not a management team* – it's a *group*. It may be a group of employees that you tell what to do or a group of employees who you encourage to use common sense and follow the systems you have in place. This is not a management team; it is an employee group. The most typical factor that undermines management teams is a failure to set aside



Will Phillips

individual needs for the common good. The U.S. culture of individualism nurtures this type of lone ranger management.

#### Results

I am sure your business has spelled out the results it must achieve to be healthy. **But having goals and achieving them are two different animals.** Those clubs that fail to achieve challenging growth and profit goals on a regular basis, regardless of competition, often suffer from a dysfunctional management team where one or more of the team members care more about something else than the collective organizational goals. In low performing teams, members derive their satisfaction and status from being a part of the team or being better than someone else or staying out of trouble. They often focus on enhancing their own position or career prospects at the expense of the team/business. *At times, such managers see no real benefit to them to invest in the team as a whole.*

This lack of commitment shows up as low accountability at the management team level. Low accountability occurs on two dimensions. The first is when individual members fail to hold themselves accountable to the goals and results they agreed to achieve. In other words, if they're not achieved, 'it's no skin off my back, and I don't feel terribly invested in those goals anyway, so that not achieving them is not a very big deal to me as long as I get my paycheck. Besides, some of those goals are unrealistic. Basically the owner

(See Will Phillips page 33)

### A Message from

#### Fitness Management & Consulting...

When The Going Gets TOUGH The Smart Get Help™

Jim Thomas is the well-known founder and president of Fitness Management USA, Inc., a management consulting and turnaround firm specializing in the fitness and health club industry.

With over 25 years of experience owning, operating and managing clubs of all sizes, Mr. Thomas lectures and delivers seminars and workshops across the country on the practical skills required to successfully build teamwork and market fitness programs and products.

Since forming Fitness Management, Mr. Thomas has been turning health clubs around at an amazing rate and garnering a reputation as a producer of change...a sharp-eyed troubleshooter, a brilliant sales trainer, and a motivator. Fitness Management provides programs that show measurable results and Jim's team is proud of their ability to glean profit from every square foot of a client's investment.

A dynamic, articulate motivator, Mr. Thomas exudes confidence without artifice and accomplishes wonders without the bruised feelings that can so often accompany change. "We pride ourselves in reaching people and motivating change in a way that encourages self-esteem on the part of the players."

Whether you operate a health club, fitness center, gym or other type club, Fitness Management and Jim Thomas have a program to fit your need, expand your market base, and keep your members and staff productive and enthusiastic. Jim Thomas may be reached at 800-929-2898, jthomas@fmconsulting.net or www.fmconsulting.net.

# One Part You. One Part Us.

## Blend. Serve. Profit!

The simplest recipe for success yet.

Blends-4-You is making quite a splash. Call or visit our website to see what all the excitement is about.



877.779.2536

[www.Blends4You.com](http://www.Blends4You.com)

# Characteristics of Great Fitness Club Managers

By Stephen Tharrett, M.S and James Peterson, Ph.D.

## Background

In Jim Collins best selling book *"Good to Great"*, his first sentence says, "good is the enemy of great." What the author meant by this statement, was that organizations too often settle for being good at what they do and as a result, they never achieve greatness. As Collins shared in his book, great companies produced amazing financial results, far exceeding the performance of companies in the same line of business, who by most meaningful measures are considered good. Interestingly enough, the first component of organizational greatness that Collins addressed in his book was *outstanding leadership*, what Collins defined as *Level 5 Leadership*.

Why an article on the characteristics of great managers? First, just as with other companies, great clubs must have great managers, otherwise they will never achieve great-

ness. Second, by knowing some of the characteristics of great club managers, club industry professionals will have a benchmark in regards to the attributes and attitudes that are needed to elevate their managerial and leadership competencies to greatness.

## Benchmarks for Greatness in the Fitness and Health Club Business; Indicators of a Great Manager

In *"Good to Great"*, Jim Collins said that great organizations begin their journey with *Level 5 Leadership*. While our industry has not created an established set of targets for club greatness, I believe that clubs that achieve some or all of the following criteria could be considered great club organizations.

- *At least five consecutive years of membership growth, in which the percentage growth exceeds the published industry averages.*

- *At least five consecutive years of both revenue and EBITDA growth, in which the percentage growth exceeds the published industry averages.*
- *Membership retention levels that are at least five percentage points higher than the published industry average for their respective club category over a period of five consecutive years.*
- *Tenured leadership in the club, with the manager and department heads being in their respective clubs for at least five years.*
- *A well respected and recognized brand in the community in which at least eighty percent (80%) of all new memberships are derived from existing member referrals.*

Clubs and club companies that have achieved performance results that parallel the criteria reflected above, are likely to be clubs that have what we are defining in this article as, *great managers*. Having had the chance to observe, work with and work for managers who have produced results like those described above, I have witnessed ten characteristics that seem to be inherent in each of them. In this article, I will address five of those ten attributes.

## Five Characteristics of Great Managers

My goal in this article is to share five of the ten characteristics I have observed in great managers. The five characteristics presented in this article, as well as the five not discussed, will be covered in a talk I am giving at the upcoming IHRSA convention.

1. *Plan for Success.* Robert Dedman, Sr., founder and former Chairman of ClubCorp



**Stephen Tharrett**

said, "Plan your work and work your plan." With this single sentence, he was summarizing a characteristic that exists in all great managers, which is the ability to create a realistic, yet challenging plan, and then execute the plan with discipline. When we say plan for success, we are talking about the creation and execution of both a long term strategic plan for the (See Stephen Tharrett page 26)

# Staff Training Available 24/7

Try Us **FREE** for 3 Months!

## 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

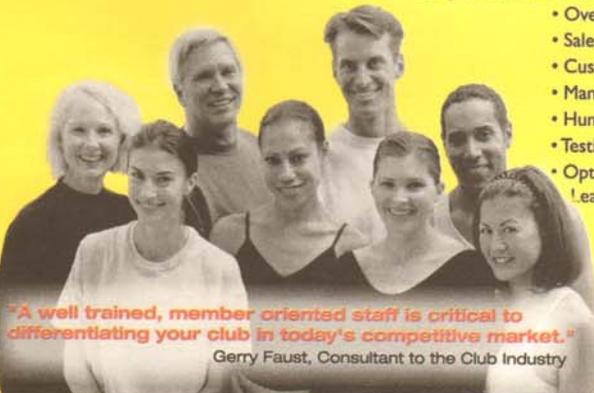
## Key Features of the Club Performance Program

- 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.org

IHRSA Booth  
 2658



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

Gerry Faust, Consultant to the Club Industry

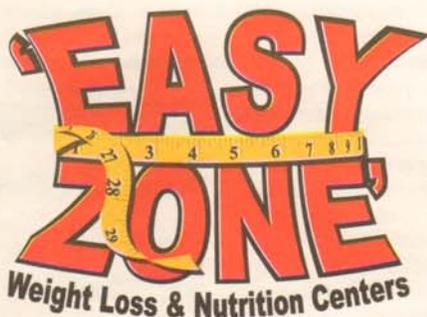
# Is your club losing out on the Weight Loss Market?

The 'EasyZone' Weight Loss and Nutrition Centers add a major profit centre to your club requiring less than 100 sq. ft.



## What is an 'EasyZone' Weight Loss & Nutrition Center?

- ✓ An extremely credible low cost, high profit, turn key wellness program that will assist in increasing personal training sales.
- ✓ A fully automated system that will provide your clients with a totally personalized weight loss plan!
- ✓ A huge opportunity to attract previous "gymphobic" clients.
- ✓ A successful retention tool because it delivers results, it educates and it promotes client interaction.
- ✓ Allows your clients to lose 2-3 pounds per week using grocery foods of their choice "Eat smart, Not less"
- ✓ A proven business model with over 6 years of success providing 40,000 meal plans resulting in approximately \$8 million dollars in profit!
- ✓ Training and promotional materials available



See us in Vegas at the  
**IHRSA Show**  
**We're in booth 2819**

North America 1-866-LOOK FIT (566-5348)  
**905 827 3824 Ext. 700**  
or Email: [EasyZone@cogeco.ca](mailto:EasyZone@cogeco.ca)

### ...Stephen Tharrett

continued from page 24

business as well as an annual short term business plan. Great managers see planning as an on-going interactive process that sets clear expectations for both process and outcome. Just as importantly, they require every department head to have a plan. To these managers, planning is the foundation for their success.

### 2. Are Coaches and Educators.

Henry Kissinger said, "The task of a leader is to get people from where they are to where they have never been." Well, to move people, to foster change in both attitude and behavior, leaders must be able to educate and coach. Coaches establish and communicate expectations and then provide an environment that positively reinforces the achievement of those expectations. Educators see themselves as providing the resources and environment for personal and professional development of their employees. Great managers are leaders who establish clear expectations for their teams and then, make sure to provide the necessary tools for those expectations to be achieved. Great managers spend a considerable portion of their day coaching and educating, thus providing an environment that empowers their teams to

perform with a sense of ownership.

### 3. Get their Hands Dirty.

Oliver Goldsmith said, "you can preach a better sermon with your life than you can with your lips." What I believe he meant was leaders and managers who have the greatest impact on their team's performance are those who model the attitudes and behavior that is desired. These managers have performed most of the club jobs and when required or needed, are ready to step in and perform whatever job is needed to insure that the member experience is a memorable one. Great managers never walk by a towel on the floor, never ask someone else to answer the phone if they are near by and never refer a member issue to another staff person when they can handle it themselves. This is not to say that great managers spend their time in task oriented endeavors, rather, they are the leaders that understand that engaging in task oriented endeavors at certain times is one of the best practices for establishing a framework for excellence in their employees.

### 4. Are Sales People

First. Robert Dedman Sr., in his book, "King of Clubs," said, "Selling is a noble profession...everything begins with a sale." Mr. Dedman clearly understood that the managers

are sales people. Great managers are constantly selling themselves, their employees and their club. When we say managers are sales people first, we don't mean that they are focused on making sales calls or giving club tours. As a sales person, the manager is out selling themselves and the club to the community, he/she is establishing important relationships with members and staff, and they are making sure that they are creating a positive impression of the club in the eyes of the community, employees and members. A great manager is a story teller who engages the minds of their respective audiences in such a way that everyone wants to get involved with the club. This is the ultimate sales person.

### 5. They are Passionate about what they do.

A quote from Florence Scovelshinn goes, "No man is a success in business unless he loves his work". Ms. Scovelshinn observed that one of the essential ingredients to greatness is having a passion for what you do. In the club industry, passion can show itself in many ways, including being an advocate of exercise, taking joy in seeing members achieve their fitness goals or taking pride in every aspect of the club. The passion of great managers is contagious; it infects the entire staff and even

the membership. I know many managers in this industry who, as a result of their passion, are able to influence employees to levels of achievement that they never thought were possible. I have heard many industry leaders say, "I would do this job even if they didn't pay me." It is this type of passion that allows them and their teams to achieve extraordinary results.

The first step of the journey to becoming a great manager is understanding and appreciating the traits that are required to make the journey. With this knowledge in hand, managers can set forth on the path to greatness. I hope this article has provided you with a glimpse into several of the underlying characteristics that are part of every great manager's journey to greatness.

(Stephen Tharrett is president of Club Industry Consulting, a fitness and sports industry consulting company. Stephen has spent more than two decades in various roles in the industry ranging from director of athletics to senior vice president with ClubCorp, a Dallas, TX based club-company, as well as serving in other industry roles. He is also a past president of IHRSA and co-editor of the 2<sup>nd</sup> and 3<sup>rd</sup> editions of the ACSM Health and Fitness Facility Standards and



### NEW Fitness Management Book

By Stephen Tharrett &

James A. Peterson, Ph.D., FACSM

Guidelines. Stephen has recently released, with James Peterson, Ph.D. a comprehensive textbook and DVD series for the industry both entitled, *Fitness Management*, which can be purchased from Healthy Learning online at [www.healthylearning.com](http://www.healthylearning.com) or by calling 1-888-229-5745. Stephen can also be reached at [steve\\_tharrett@comcast.net](mailto:steve_tharrett@comcast.net). James Peterson, Ph.D. is a sports medicine consultant, Fellow of the American College of Sports Medicine, a former faculty member at the United States Military Academy and also served as the executive director of Sports Medicine for Stairmaster Sports/Medical Products, Inc.)

(See and hear "Good To Great" author Jim Collins at IHRSA 25!)

### ...Kachel

continued from page 6

tails of that consultant's visit and Homan's illegal activities. His email is: [dkachel@myacc.net](mailto:dkachel@myacc.net).

Dean Kachel agreed. He hired a consultant for three full days. The consultant wrote up 9 pages of recommendations. The consultant went home. From that "TO DO" list, Kachel began to make those club improvements, re-equipping and programming changes one-by-one, just like clockwork. By about 1997, Dean Kachel had a reborn, totally improved 30,000 square-foot, virtually new inside and out, well-equipped club that would be capable of survival and being competitive in the midst of this incoming plethora of new, very tough competition.

I must add that Dean Kachel is one of the most unique and tough and dedicated SURVIVORS in this business that I have ever known. Had he not been, he would have failed in the club business in his first 14-years, long before he called the consultant.

I am very happy today to be able to report to you that Dean and M.J. Kachel SOLD their Quadrangle Athletic Club on January 31, 2006, for \$4.3 million to a local veterinarian. As you read this, the pet doctor and his partners are in the process of converting the facility to a pet hospital and care facility.

After paying off all of his debts, making an arrangement to efficiently transfer his members to LA Fitness (formerly Homan's About Fitness) just across the street and selling off all of his club's equipment at auction, Dean and M.J. Kachel, will walk away happily after 26 1/2 years, with very close to \$4 million in cash before taxes! Great job Dean and M.J.!

Now that I've thought about it...there are actually two "morals" to this story...

1. If you're new club business is *not performing* up to the expectations that you have had or if you've *seen your club business decline* after a number of successful years, *don't just sit*

and take it! DO SOMETHING ABOUT IT TODAY! The BEST thing you can do is GET HELP!

Here are contact phone numbers for the great people interviewed in our "Best of the Best" cover story, Rick Caro (212) 987.4300, Ray Gordon and Eddie Tock (800) 428.3334, Sandy Coffman (941) 756.6981, Karen Woodard-Chavez (303) 417.0653, Bonnie Patrick Mattalian (732) 236.2273 and John Brown (281) 894.7909.

2. This is how Dean and M.J. Kachel have \$4 million before taxes. If at all possible, build your club from the ground up on land that you own. Or, buy land with a building on it and convert that to your club. That way, you will NOT BE WORKING FOR A LANDLORD all of your club life, you will be working for yourself and your family.

Be sure, in either case, that you do not purchase land or land and a building, that does not have significant and adequate additional acreage for lots and lots of parking. Use

the "airline formula" I've recommended to club owners for years. That is: pretend your club is a commercial airliner loaded to capacity. If you already have a club, "walk-it" from top to bottom and count your "seats" in your club by adding up all your cardio machines, selectorized weight machines, free weight stations, group exercise rooms, lockerrooms and all other areas, seeking to find out how many "seats" you have for your "take-off" at prime time, Monday night at 6 pm. In essence, figure out how many people will fit in your club per the design you are going to build or any new configuration of an existing club that causes more people to be attending. Multiply that number by 1.25 and that will be the minimum number of parking spaces you will want to have for your members.

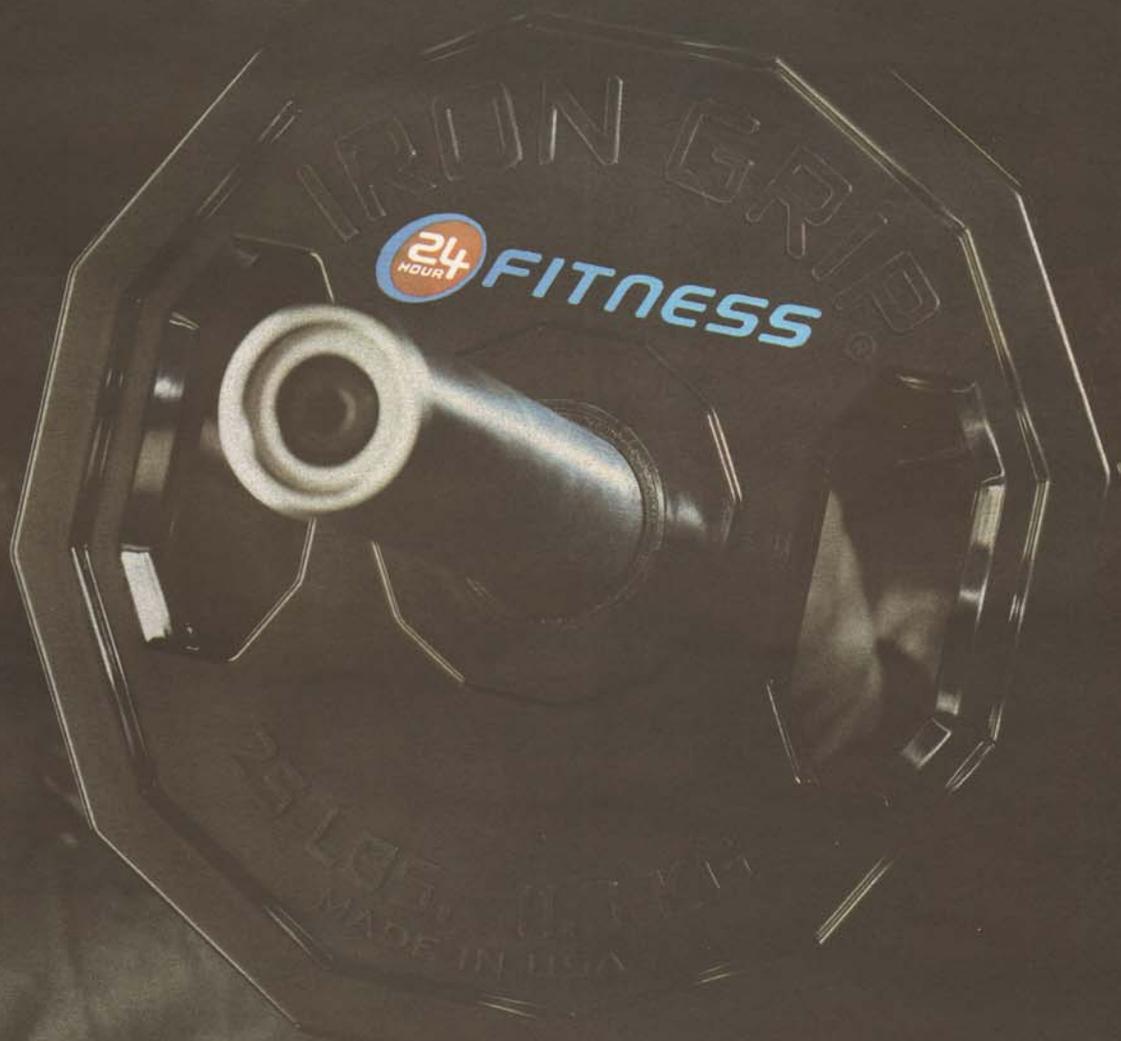
The real estate appreciation, protected by two "never-say-die" club owners, Dean and M.J. Kachel over 26 1/2 years, on the Kachel's 30,000 square-foot building on 2.2 acres, has made the Kachel's multi-mil-

lionaires. You could be one some day too through your real estate appreciation, even IF your club is not wildly successful, but continues operations over the long haul, as did Dean Kachel and M.J. Kachel's Quad Club. Congratulations Dean, M.J. and Melissa Kachel on a club career well done!

(Norm Cates, Jr. is a 32-year veteran of the health, racquet and sportsclub industry. Cates is the Founder and Publisher Since 1993 of CLUB INSIDER. In March, 2001, Cates was honored with IHRSA's DALE DIBBLE Distinguished Service Award, one of IHRSA's highest honors. Cates may be reached at: 770.850.8506 or by email at: [clubinsidernews@mindspring.com](mailto:clubinsidernews@mindspring.com))

**MAKE  
IT  
FUN!**

EQUIPMENT STRONG ENOUGH TO STAKE YOUR NAME ON.



Your club's name may be the most important thing you own. It tells members who you are and what you represent, setting you apart from your competition. You're committed to your name, so reinforce it with customized equipment from Iron Grip. Only Iron Grip can offer our precision engraving capabilities to recreate intricate logos and vibrant, permanent colors. Call 800-664-4766 or visit [www.irongrip.com](http://www.irongrip.com) for more information.



**IRON GRIP**  
BARBELL COMPANY

# Nothing But the Best . . . For the Best (That's You!)

## IHRSA25 Will be IHRSA's Best Convention Ever

### Here are 36 reasons to attend IHRSA25:

By: John McCarthy

(1) **Jim Collins**, the author of *Built To Last* and *Good to Great: Why Some Companies Make the Leap and Others Don't*—no one can better prepare you for the cauldron of competition.

(2) **Ken Blanchard**, the author of *The One Minute Manager* and *Raving Fans*—Blanchard always drives to the heart of the matter.

(3) **Steve Lundin**, the author of *FISH!*—his message is pure gold for this industry.

(4) **Dr. Deepak Chopra**—one of the world's most important thinkers on the mind/body connection.

(5) **Steven N. Blair**, one of the editors of *Physical Activity and Health: A Report of the Surgeon General*—America's most influential expert on the health benefits of regular exercise.

(6) **Walter Bortz, M.D.**, the

Stanford University gerontologist—the nation's most important spokesperson on the benefits of exercise for the 50-plus generation.

(7) **Robert Pritikin**—a world-renowned leader on the integration of exercise and nutrition, and a magnificent speaker.

(8-9) **Bob Greene** ("Personal Trainer to the Stars") and **Bob Esquerre**—they take personal training to new heights.

(10) **Mike Chae**—his insight into this business becomes more valuable with every passing year.

(11) **Klaus Hilgers**—if staff productivity is your passion, Hilgers is your guy.

(12) **Rick Caro's** financial panel—for industry veterans, this may be the most important session of the entire convention.

(13-22) **Enhancing Sales Productivity**, with **Casey Conrad, Ray Gordon, Phil Kaplan,**

**Mike Kincaid, Ron Littlebrant, Bill McBride, Gary Polic, Ed Tock, Karen Wischmann, Karen Woodard-Chavez**—what a lineup! These are the best in the business. Each is a "must" for everyone responsible for sales growth.

(23) **Sandy Coffman**—the industry's "ultimate professional" never disappoints.

(24) **Nancy Friedman**—if you're passionate about customer service, you'll love Nancy Friedman.

(25) **Dee Eddington**—no one can make the "economic argument" for regular exercise better than Eddington; attendance required for everyone involved with corporate membership.

(26) **Glenn Gaesser**, the author of *Big Fat Lies*—if weight-loss programming is one of the opportunities that you've targeted, don't miss Gaesser.

(27) **Michael Scott Scud-**

**der**—not for the faint of heart, and not to be missed.

(28-34) **Fitness Programming**, with **Cathy Spencer Browning** (of Body Training Systems), **Peter Davis** (IDEA), **Eric Heiden** and **Tom Purvis** (Nautilus, Inc.), **Jasmine Jafferalli** (East Bank Club), **Sara Kooperman** (SCW Fitness Education), **Margaret Moore** (Wellcoaches), etc.—like I said, the best for the best.

(35-36) **Membership Retention**, with **Paul Brown** and **Chez Misko**.

IHRSA25 will feature all of this and more! Plus the fitness industry's No. 1 trade show!

I'll see you in Las Vegas next month, on March 20-23. If you haven't already registered, call 800-228-4772 or 617-951-0055 right now, and ask for the special CBI reader discount.

**John McCarthy** is the Executive Director of IHRSA and can



**John McCarthy**

be reached at [jmc@ihrsa.org](mailto:jmc@ihrsa.org).

These 36 inspiring thinkers and exciting speakers are just a few of the reasons to attend IHRSA25.

### ...Bally

continued from page 6

re-statement of several years of financials, not even mentioning inheriting a company whose CEO, Lee Hillman, had been described by a Bally Board appointed financial investigation committee, as having fostered an "aggressive accounting culture", they fought a great fight. That board committee finding is particularly meaningful, given that Hillman is a CPA.

#### **Toback and Team Are Moving Forward**

Once the hostile proxy takeover had been fought off at the January 26, 2005 Bally stock holders meeting, *Toback and team* have moved forward with a focus on its Company cultural changes and operations methods. Additionally, Bally management began to focus on what to do about Bally's heavy debt load, part of which includes multiple, relatively high interest rate (in the 9 3/4% range) bonds.

Before the January 26, 2006 Board Meeting, Bally management announced the closing of the sale of its Crunch Fitness, Gorilla Sports Clubs and Pinnacle Fitness

Clubs (both groups in Northern California) for \$45 million to an investment group assembled by club veteran, Marc Tasher.

The fact that Toback and team are now pursuing multiple options to reduce Bally's debt with assistance by J.P. Morgan and the Blackstone Group, should give investors more reasons to buy and keep Bally stock. Those initiatives, as mentioned in the 2/10/06 press release above, include: *alternatives to address the Company's long-term capital structure, which may include a recapitalization, strategic transaction or the sale of the Company.*

#### **Bally Total Fitness IS Changing**

Very importantly, the cultural, marketing and operational changes Bally management embarked on during 2005, should have a significant impact on Bally long-term financial performance. Those include *one move* that this author believes will continue to pay dividends to Bally. *That is membership structure that does not require a lump sum purchase with interest added on per a retail installment contract.* Bally's new "build-your-own" membership provides prospec-

tive members with the *option* to pay a higher member dues amount in order to obtain the ability to terminate membership without penalty. Moreover, Bally continues to offer term commitment memberships at a lower price range, *but in an important change, is not providing those memberships with the traditional low-low renewal rates of around \$9 per month.* Paul Toback recently told me in an interview to be provided next month in CLUB INSIDER that approximately 80% of the new Bally members still take the lower rates during the original term which requires a longer commitment. *Over time, that move to higher renewal rates will produce significant future income from higher renewal rates from hundreds of thousands of members.*

Along the way, while dealing during 2005 with SEC filings, a proxy battle and in essence a "personal attack" by Manny Pearlman on Paul Toback, (an attack by the way, that Pearlman denied was personal in the most recent Bally conference call) Toback's team is changing their marketing approach to deliver a message to "average" people that is not the "bikini clad haven for hard bodies" image that past Bally

TV and print advertising have conveyed. Moreover, Bally Total Fitness has been featured on an aggressive New Year Subway Sandwich television ad series featuring the Subway spokesman named Jared.

It became a 'wonder' to me when in the last Bally phone conference, Liberation's Manny Pearlman stated, when asked what his plan was, should his hostile proxy takeover be successful, "Well, I have NO operational experience, I'm just involved in the capital markets". Well, Pearlman could have stopped talking, because he was *done* right then! Strange to me that a few years back, during Lee Hillman's watch, Pearlman had served as a "Consultant" for Bally earning \$1 million in fees. "Inquiring minds want to know what's up with that, given Pearlman has admitted that *he has no operational experience*". I would really like to know exactly WHAT Pearlman did for this PUBLIC company to earn \$1 million in consulting fees when Hillman was boss.

It was also announced today that John Wildman, has received an employment contract renewal as Senior Vice President and Chief Operating Officer until December 31, 2008. Additionally, multiple

Bally people are exercising Bally stock options as this author reports on deadline for February. More on that next month with comments from victorious Bally Chairman and CEO, Paul Toback.

While a couple of my very good club industry veteran friends have been Bally 'nay-sayers', I had one of them contact me via an email saying, "Norm, you were right and I was wrong. It looks like Bally is definitely headed in the right direction." That day, I simply I could not resist the temptation to call him and say, "See, my good friend, I told you so!"

**CLUB INSIDER** will continue to stay close to the *Bally progress*, so **STAY TUNED!**

(Norm Cates, Jr. is the Founder and Publisher of CLUB INSIDER since 1993. Cates, a 32-year veteran of the health, racquet and sportsclub industry, was the 1<sup>st</sup> President of IHRSA and a co-founder of the Association. In March, 2001, Cates was honored by IHRSA with its DALE DIBBLE Distinguished Service Award, one of IHRSA's highest honors. Cates may be reached at: 770.850.8506 or by email at: [clubinsidernews@mindspring.com](mailto:clubinsidernews@mindspring.com))

# Kid's PE™

## Kid's PACE Express

Shaping America's Future



Non-intimidating, Safe, Fun \* New Pro?† Center\* Introduce Kids into a Healthy Lifestyle \* Improve Member Retention\* Increase Family Memberships

Kids PE is Ideal for Health Clubs, YMCA's, Schools, Community/ Recreation Centers, Youth Teams, Church Groups, Etc.

For More Information on Kid's PE or our adult PACE Circuit Training Program, call 888-604-2244 or visit [www.kidspaceexpress.com](http://www.kidspaceexpress.com) or [www.pacegroupexercise.com](http://www.pacegroupexercise.com).

## 2005 In Review

### Part III

### September and October, 2005



September 2005

The CLUB INSIDER September cover was graced with a photo of a group of 11 health club history makers. The photo depicted: Gary Jones representing his Dad, Arthur Jones, Rudy Smith, Bob Rice, Mike Uretz, representing Joe Gold, Bill Pearl, Jerry Kahn, Ken Melby, Augie Nieto, Ron Hemelgarn and Ray Wilson,

all recipients, or representatives of recipients, of Wally and Michelle Boyko's National Fitness Trade Journal annual Life Time Achievement Awards. Also shown on our September cover collage were photos of club and auto racing magnate, Ron Hemelgarn, presenting the NFTJ honor to the man I call "The Henry Ford of the Fitness Industry", Augie Nieto, and a photo of Augie holding a big check made to Augie's Quest ALS Research Fund in the amount of \$1,041,945, the amazing amount raised in September, 2005 in Las Vegas for research to defeat Lou Gehrig's Disease (ALS). See this month's NORM'S Notes for a summary of the BIG BASH Fund Raiser for ALS and other big doings at IHRSA25. Also, don't miss the Augie's Bash Ad on our outside back cover this month!

Our page #3 - second item for

September was Part II of our August cover story: Laury Hammel and Longfellow Clubs "Making the World A Better Place"! Longfellow Clubs Celebrate 25 Years Of Love! Also, on page #3 we published an Open Letter to John McCarthy of IHRSA from Laury Hammel. This was a very heartfelt letter from Laury to Big John McCarthy, Executive Director of IHRSA, originally sent to John about five years ago and copied to me. The letter was in response to 24 Hour Fitness' now famous San Francisco area billboard that showed some alien like creatures and a caption that read: "When the ALIENS come...they will EAT THE FAT ONES FIRST!" Actually, I owe a belated THANKS to savvy and world class marketer, 24 Hour Fitness CEO, MARK MASTROV, for putting up that billboard because at the time, yours truly weighed in at gross

343 pounds and this billboard REALLY MADE ME THINK! My thinking then took me into an 18 month, self created lifestyle change program and I lost 110 pounds (32% of my body weight) and 18 inches off my waist So, THANKS MARK! And, thanks Laury, for being such a caring guy for these people of the world!

NORM'S Notes 'Short-Takes'  
-September 2005

• Our good friend, Tom Ficorelli, better know as FIC, passed away suddenly in Ithaca, New York. I published a photo of FIC and me, taken in New York City at Club Industry East in June, 2005 and I wrote: SAD... LATE BREAKING NEWS! I am so sorry to have to report that Ray Gordon, Founder of Sales Makers, called me just a minute ago to inform me that our Good Friend, Tom

Ficorelli, of Ithaca, New York, has passed away. We know no details at this time. We do know though, that Tom was a "GEM" of a human being. FIC was a man of passion, dedication, kindness for all and great enthusiasm for life. MAY OUR FRIEND, TOM FICORELLI, REST IN PEACE. Tom's story was an amazing one. Tom had retired from his 30+ year job as a New York State Correctional Officer. But, for the past 15 years, FIC had regularly attended the IHRSA and Club Industry Conferences and Trade Shows to educate himself for his second career, a career in the health club industry. He had been instrumental in putting it together and seeing construction start. The club, a big, nice 80,000 square-foot, multi-million dollar facility overlooking beautiful Cayuga Lake in Ithaca, is called ISLAND HEALTH (See In Review page 30)

# W e convert your membership contracts into

For many years our clients have told us our people and systems are great. And what they appreciate most is getting their customers' money up front. Give us a few minutes on the phone or visit our website to find out how we can increase your cash flow.

# CASH!

**FAIR / FINANCE**

Since 1934

Providing tomorrow's revenue - today!

800.735.FAIR (3247) ■ www.fairfinance.com

## ...In Review

continued from page 29

and **FITNESS**. **FIC** was greatly looking forward to the opening which happened in early February. The club was designed by my friend **RUDY FABIANO**. Again...**REST IN PEACE FIC...we love you and WE ALL MISS YOU!** • Reported that the **NFTJ Conference and Trade Show**, held in conjunction with **IHRSA's 1<sup>st</sup> Annual Club Business Entrepreneur Conference** in Las Vegas in September, was a great success thanks to **Meredith Poppler and the IHRSA Team** for their hard work producing and conducting the great event. • Commented on **Bally Total Fitness** stock rising from the \$3 range to \$4.52, that Bally had obtained approval from its bondholders on their request to delay their now filed financial statements until Nov. 30. • **Gold's Gym International** honored **Blair McHaney, Scott Felsted, J.K. Valencias, and John Burris** at their annual convention. • I wrote about the terrific book, "**Younger Next Year**" and that I was happy to welcome scholar and club roundtable

facilitator, **Will Phillips**, President the **REX Roundtables** had produced a terrific book review on "**Younger Next Year**". check out Will's article/book review in the September edition on page #20 • Announced that **Sports Club Company** was selling six of its mega-slick-clubs. The sale closed a month ago and now **Millenium Partners** has one of the best CEO's in the business heading the deal, **Dr. (I call him Art) Curtis**, a protégé of long-time pro veteran, **Ed Williams, Wellbridge CEO and prominent IHRSA Board Member**. • **Fitness First, former CLUB INSIDER cover story subject**, announced it had 423 company owned clubs. • **Important news** hit about the value of regular exercise in preventing **Alzheimer's disease**. More reports have emerged on this great news in recent weeks. • I wrote a note of **THANKS** to those individuals whom I have encountered in my travel during the last year. **Across the board**, I've received highly motivating, for me, and heart warming compliments from people everywhere about my 100+ pound weight loss and 18 inch waist reduction

and maintenance of that weight loss and the new "leaner" Norm Cates. I can only say, as I said then and I again say now, **THANKS!** • Reported that **Michael Scott Scudder** was high up at 9,000 feet somewhere in the mountains of **New Mexico with no food, no water and no camping gear**, enjoying what is called a: "**Vision Quest**".

• **Wrote about MARK MASTROV's 24 Hour Fitness** sponsorship of the amazing **TV Show** entitled: "**The BIGGEST Loser!**" Since I was a "**Spy on Obesity**" for our industry for years before losing over 100 pounds, I sincerely think "**The Biggest Loser**" is a really good thing. That's because, as a former major league **FAT BOY**, I can tell you that the emotions displayed by some of these contestants, during, and even after the contests are settled, are **REAL**. Their **PAIN** is **REAL**... To me, they are actually speaking for **MILLIONS** and **MILLIONS** of obese Americans who are, on a daily basis, **ENDURING IN MENTAL AGONY**, the **DAMAGE** they have caused themselves by lack of discipline and a multitude of

other factors (*injuries, sweets addictions, alcohol abuse, etc.*) Please be **SURE** to read my **NORM's 'PERSONAL' Notes** on page #36 this month. • I apologized in writing to **MIKE GRONDAHL and his MOM**, for misspelling their last name! • More apologies from me, this time to **GARY POLIC**, for an editing error in the first sentence of his September article. When I screw up, I always, want to be informed about it pronto, because I am driven here by a passionate pursuit of perfection every month, perfection that as in football, never really comes in publishing of hardly anything with the volume of what I produce for YOU every month. But, when I am informed by anyone of a mistake I've made, I will own up to my mistakes and my responsibility for those mistakes. And, I will apologize to those impacted by my mistakes. Do YOU do that in your business? • Shared the news that **Tesser and Company** had been retained to produce branding and graphic design work for the new **123 Fit** organization. • Reported that **Anytime Fitness** had conducted

its 1<sup>st</sup> Annual Conference in St.Paul, MN. • Announced deadline day late breaking news that **Bally Total Fitness** had entered into an agreement to sell its **Crunch Fitness chain** along with 2 **Gorilla Sports Clubs** and 2 of **Bally's Pinnacle Fitness Clubs in San Fran** to **Mark Tascher's partnership with Angelo, Gordon & CO**. I accidentally left out of that note that my friend, **PETE MOORE, Founding partner of Fitness InSite**, had facilitated the deal. The **Crunch Fitness** sale closed on Jan. 18<sup>th</sup>. Also announced that **Manuel Pearlman's Liberation Investment Group, LLC's**, had filed a lawsuit against **Bally Total Fitness** to force **Bally Management** to hold a **Board Meeting** on October 28<sup>th</sup> to chose four new Board members. The company countered by announcing that revised financials would be filed on **November 30, 2005** and a **Stockholders Meeting**, would be held in mid to late January and was actually held on **January 26, 2006**. The revised **Bally financials** were filed on **Nov. 30** and the **Stockholders** (See In Review page 31)

# Getting noticed is easier than you may think.



It's a big job to create advertising that gets noticed; a look and a message that drives a response and translates into membership sales. For over two decades, Susan K. Bailey has been passionate about the fitness industry and the hundreds of clubs we serve. We share the belief that belonging to your club can change and enhance lives. That's what drives us to produce effective advertising delivered on time, on budget and with an unmatched level of personal service from start to finish.

**Get noticed. Visit us now.**

**susan K bailey** 1.888.349.4594  
 Advertising

Advertising that works out *Serving North America, the United Kingdom, Australia, New Zealand, and beyond.*

**www.clubads.com**

## ...In Review

continued from page 30

meeting was held and Pearlman represented Liberation with respect to the Liberation and Pardus Financial Group's Proxy Fight to oust Bally Chairman and CEO, Paul Toback. The effort to oust the hard working Paul Toback was soundly defeated. (See page #3 coverage.) • Pointed out that our new advertiser, MarketMyClub.com, founded by Ron Buddo and Sherry Robb, was on board and I welcomed them. Buddo and Robb are now going gang busters with new business, including work on the new Podfitness, for new client and our friends and advertisers, 'salt-of-the-earth-guys', Rich Boggs and Ray Irwin, Founders of Body Training Systems! See page #3 Podfitness report. •

An article by yours truly, entitled: "Insider Speaks"...Health Club Industry Needs More Women At the Top! This piece chronicled my opinion that our industry is totally dominated by men and that our industry needs more women on the

top tier so their influence corresponds with the national club utilization activity numbers more closely. Let me say that differently...statistics indicate that actually slightly more women use clubs everyday than do men, but I would estimate, without statistics, that at best, 5% or less of the health clubs in America are owned and operated by men. How do you fix that problem? One idea is that some of you GREATS out there that have made big bucks in this business ought to start backing some of the great "up and coming women" in our industry to become part of club ownership in new club deals. Look next month in our March edition for a "Marketing to Women" article written by Lance Arraance, Director of Communications with MarketMyClub.com A second article entitled NFTJ/IHRSA Alliance A Terrific Fit!, also by yours truly, expanded on the comments written previously about this terrific new event.

New CLUB INSIDER Contributing Author, Will Phillips delivered a terrific book review of the great book: "Younger Next

Year", Karen Kirby provided a terrific article entitled: Prospecting Power For Personal Trainers, industry leader, Sandy Coffman, provided another terrific article I entitled: "Make It Fun!", Michael Scott Scudder commented on Bally Total Fitness, with the question: "Will they Make It?" and other comments on the times in our industry, (by the way Bro Scudder, I believe they will make it! See page #3 Paul Toback report).



Lyle Schuler...  
 "Making It Fun at the MAC!"  
 October 2005

The one and only, Lyle Schuler... "Making It Fun at the MAC!" was depicted with some of his great team members on

our cover for October. Depicted with Lyle were: Josh Stratton, Jonathan Winstral, Austin Benjamin, AnnChris Warren, Kristin Koegel and "MAC", Lyle's beloved German Shepherd dog and club mascot.

Lyle Schuler, working hard with his team at the Mid-Atlantic Athletic Club (the MAC), in Kingston, New York, has taken a real lemon of a club and made great lemonade, to coin a phrase! This 50,000 square-foot club, now expanded to 62,500 square-feet with the installation of a sports and athletic training center, was a real mess. After 20+ years of zero upkeep or upgrade investments by the previous owner, it was a worn out monster. It was dubbed by industry veteran, Sal Pellegrino, as the "ugliest club in New York State" when long time industry veteran and former very successful club consultant for Sales Makers, Lyle Schuler stepped in. Lyle, a former star football player in high school and college, has done a remarkable job there as I witnessed when I visited last summer. But, maybe more impressive than the physi-

cal plant now proudly called the MAC, is the team of people Lyle has assembled and the caring and loyalty those people exhibit toward their boss. In short, Lyle Schuler is a winner and the citizens of Kingston, New York are the benefactors of his team's hard work and total passion for and dedication to excellence.

Our 2<sup>nd</sup> item on page #3 was entitled: 13 Years and Counting! Written by yours truly, this piece chronicled the 12-year odyssey of CLUB INSIDER since we began publishing in November, 1993. In this first edition of our 13<sup>th</sup> year, I thanked everybody that has contributed to CLUB INSIDER, this: "cause for health club's good". Headline on page #3 was: Fitness First Acquired by Funds Advised by BC Partners.

Norm's Notes 'Short-Takes' for October

• Rich Boggs, Body Training Systems (BTS) Co-founder and CEO, announced that veteran, Mike Campetelle, had joined BTS as their National (See In Review page 32)

### ...In Review

continued from page 31

**Sales Manager.** Boggs also announced that veteran, **John Miller**, had brought **BTS** on board for his **Courthouse Athletic Club** group of six clubs and another long-time veteran and former **IHRSA Board Member**, **Mike Arteaga**, had also brought **BTS** to his two world class clubs for his members. Regular **BTS** webcasts are now showing so if you'd like to see how professionally **BTS** is done, call 1.800.729.7837 for webcast information. Check out the new **Podfitness** announcement by **BTS** on page #3 and the new **BTS Podfitness** ad on page 35. • **Rudy and Virginia Smith**, two truly dear and wonderful people, celebrated **BOTH** their 50<sup>th</sup> Wedding Anniversary and their 80<sup>th</sup> Birthdays together, with a grand party attended in Las Vegas by scores of health club industry legends, and their

friends from around the country. The awesome party invitations and party plans were done by their daughter, **Jinny** and their son-in-law, **Brett Fitzgerald**. Unfortunately, due to our **CLUB INSIDER** deadline happening on the same weekend, I was not able to attend. • I quoted the now infamous, **Brian Homan**, former operator of **Tools Management, Inc.**, from a **Fort Lauderdale** newspaper interview by **Robin A. Friedman**, in which she stated: "Homan is sharing a two-bedroom, 1,100 square-foot Coral Springs condominium with his wife and two children. He's in the process of building a 7,000 square-foot home in Brazil and plans to open a new business, **About Family Fitness**, a 37,500 square-foot fitness center - in November". She continues, "Homan is also looking for a larger home for his family. He likes the **Lighthouse Point** area, but he's disappointed

with what HIS money can buy. She quotes Homan as saying, 'The stuff that I've looked at in the \$1.2 to \$1.5 million range is quite junky'. Friedman continues: "So, Homan remains on the sidelines, 'poised to strike', he said." Homan was quoted later in the article with this amazing comment, "People have short memories, but history shows that every thing is cyclical. We just have to be patient". Let me add, in response to that October, 2005 **CLUB INSIDER** NORM's Notes writing, that her comment that Homan is "disappointed with what HIS money can buy." Well honey, you should have known more about this story...you should have stated, "I wonder WHAT the \$200,000 he made off with, through his now defunct **Tools Management, Inc.**, from 8 health club owners across America can buy!" And, I would add...Homan...

TRUST ME ON THIS, after you threatened the **Lives** of **Dean Kachel** and I in January, 2005, **WE DON'T 'HAVE SHORT MEMORIES!'** By the way, more follow up here. I am happy to report **two things** out of South Florida. #1- THANK GOD the **About Family Fitness Club** DID open in mid January, 2006, even though #2 happened: and #2 is- THANK GOD the landlord at that brand new **About Family Fitness** club has sued the partnership, **Homan's** bosses, **About Family Fitness, LLC** for eviction, on January 6, 2005, about 10 days BEFORE IT OPENED! STAY TUNED! • We reported that long-time industry veteran and owner of the **Penfield Racquet Club**, in Rochester, N.Y. was reaching out to other club owners for their experiences and advice on dealing with the arrival of a mega-YMCA near his 27-year old club. If you have such advice and experience, contact **Alan** on email at: Hanfor@rochester.rr.com. • **TODD BECKMAN**, the Founder and President of **The Tan Company** with 60 locations in 10 states, sold his four St. Louis area **Gold's Gyms** to **Gold's Gym International**. • I wrote about **IHRSA**...AGAIN, urging people to plan to be in Las Vegas in March 2005, (see Norm's Notes this month too), I promoted with commentary, **IHRSA's Get Active Magazine** and the **Club Life Magazine**. Our **CLUB INSIDER** for consumers remains on the planning board and is still a work in progress because I simply cannot afford to misstep in my planning. • I announced that my son **Justin**, had been admitted to the **University of Georgia Terry College of Business**. I am also happy to follow this report up with news I announced about him last month that he made the **UGA Dean's list** last semester with a 3.6 G.P.A. Keep rolling **DAWG DUDE! MOM and I LOVE YOU!** • Announced that our cover subjects for September, 2004, **Mario Bravomalo, Founder, and Daron "Rocketman" Allen, CEO**, had installed their terrific **Visual Fitness Planner** systems (see ads on pages 14 and 15) in 400 clubs, (up from about 150) when I first met with **Daron** and arranged their very infrequent **CLUB INSIDER VENDOR** focused cover story. • Congratulated **Dean and M.J. Kachel** on the 26<sup>th</sup> Anniversary

of their **Quadrangle Athletic Club**. (See page #6 report as they just sold their club on January 31, 2006 for \$4.3 million!) • Reported that **Spectrum Athletic Clubs, XSport Clubs and American Family Fitness** clubs had donated sums ranging from \$14,000 to \$30,000 to Hurricane Katrina victims. **Curves international** founders, **Gary and Diane Heavins**, have donated \$2.5 million for Gulf Coast disaster relief! • **Steve Gilmour's Leisure Sports, Inc.** has entered into a big deal with **Marriott International** for 15 **Renaissance Sports Clubs**. • **Mitch Wald**, at the time CEO of the **Sport and Health** chain in Washington, D.C., had teamed up with **Project Fit America** to fight obesity. • **Art and Linda Chapel**, two other lovely people and long time industry friends in **Auburn, California**, celebrated the opening of their 3rd club! **Hey Art and Linda**...I look forward to seeing you both in Las Vegas next month! • Congratulated **Bruno Pauletto, CEO, Julie Pauletto, CFO and Ken Bradley, President of Power Systems Sports, Inc.** as they celebrated their 20<sup>th</sup> Anniversary! • **SIR RICHARD BRANSON**, in my opinion, the world's GREATEST entrepreneur, re-acquired for \$236 million, the **Virgin** club group he had sold to **Bridgepoint** three years before.

We published work by Contributing Author **Will Phillips**, a guy that after publishing his latest contribution in this edition, I am now suspecting may be a genius. His article was entitled: "WHITE PAPER...Challenging the Views of the Health Club Industry. We published an article by another very bright guy, **Bro Michael Scott Scudder** entitled: "10 Questions A Smart Club Operator Should Ask Each Month". And, we published Part 1 of a four part series, from the dynamo, lawyer, teacher, consultant and entrepreneur, **Casey Conrad**, entitled: "Training Your Sales Team Year Round".

.STAY TUNED for our March, 2005 edition where I will cover our November and December editions for 2005! SUBSCRIBE TODAY...send our form on page #4 in with MOOLA!

**MAKE IT FUN!**

(See In Review page 38)

Stop sitting. Feel better. Be healthier.  
 Start NuStepping.

The NuStep TRS 4000 recumbent cross trainer delivers a full-body workout that promotes and maintains optimal health for people of all ages and physical conditions.



To learn more about how NuStep transforms lives, call 1-800-322-2209 or visit www.nustep.com to order a free, informational DVD.



Transforming Lives™

I'd Rather Be  
 NuStepping

## ...Will Phillips

continued from page 22

told us what they were. This lack of individual accountability to achieving the goals leads to shortfalls in results.

The second kind of accountability is holding one another accountable. In other words, as the year begins, and we notice that one aspect of the business is not performing at the necessary level, no one does anything about it. In the worst cases, nobody even notices. And the next worst case is that the CEO notices and does nothing. And just above this, is the situation where the management team notices that one member is behind on their goals, but this is not directly, quickly and fully confronted. In other words, the management team is suffering from a failure to confront reality. Scott Peck commented that mental health can be defined when an individual regularly and consistently confronts reality.<sup>3</sup> I would define the foundation of organizational health as the organization led by a management team which consistently confronts reality.

*It is a paradox that the health club world complains about the failure of our unfit and overweight population to be so unaware of the consequences of their failure to exercise. Non-exercisers are at times accused of being unaware and undisciplined. Yet these are the very same qualities which show up in club owners and managers who continue to accept dysfunctional management teams which fail to regularly achieve challenging business results.*

To learn more about how managers confront reality, there's no better reference than - **Confronting Reality: Doing What Matters To Get Things Right** - by Larry Bossidy and Ram Charan. Bossidy was the President of Allied Signal and Ram Charan is one of the world's premier strategic consultants. In this book, they reduce strategic thinking to its three most powerful fundamentals. The authors greatly simplify the process of strategic planning by insisting on rigorous thinking and connecting these three critical elements in any strategic plan. As you read this book, you will see how often most strategic plans simply consist of wishful thinking by a group of senior

executives with a complete lack of rigor in their thinking. This is the best book for this topic. For a more personal view of a CEO confronting reality see Ralph Stayer's "**The Flight Of The Buffalo**".

### The Purpose of the Management Team

Over five decades ago, Peter Drucker in his book, "**The Effective Manager**", described the fundamental purpose of every management team is to engage in conflict. When I read that as a young manager, I was shocked. All my experience with teams told me the purpose of a team was to get everybody to work together and pull in the same direction, not to have conflict. Yet, here was one of the masterful thinkers of management in our lifetime telling us that the purpose of the management team is conflict. It is critical to understand why conflict must be nurtured on your management team, why dissension is critical and why curiosity is a requirement of being on a management team. Drucker explained that there is a difference in a sports team where the rules are set and the playing field is even. In business the rules are changing, the environment is changing and the people are changing over time. Business is much, much more complex than basketball. Businesses must make new decisions to respond to new opportunities and threats.

*The fundamental purpose of every management team is to engage in conflict. Peter Drucker The Effective Manager.*

### The Nasrudin Problem

Nasrudin was a comical, yet insightful 13<sup>th</sup> century Sufi, mullah. One night he was wandering around in the street under a street light. A passerby asked *did you lose something?* *Yes! I lost my key.* *Where did you lose it?* *In the garden.* *Well, why are you looking here and not in the garden?* *There is more light here!*

Too often when club owners look for solutions to new problems they are like Nasrudin. They seek the easiest, off-the-shelf solutions to their most critical problems such as growing in a competitive environment. They go to a convention program and find an approach that worked for another club or worse for a consultant to a beer

company and try to use it back home. Or they buy a book or go to a seminar looking for answers. These rarely work well. *Too little rigorous thinking is done to diagnose their problem and then design a prescription that matches.* Managing is not a business with interchangeable parts. What works in one business is likely not to work in another. What's hot in the management world depends largely on which consultants and which business authors tell the best stories. With the perspective of three decades, it is stunning to see how one decade's hot management methods are completely disregarded in the next. Who is using Management By Objectives-the hot fad of the 70's?

Your business was a no brainer when there was no competition. Now you have to think, and it's hard. Probably impossible to do by yourself. That is why you need a management team. One of the fundamental activities of every management team is making decisions about the business. Some of those decisions made every few years are critical, life threatening or enhancing decisions that have to do with strategic choices with the business. Will we truly focus and align our business to serve the 55 year-old Boomers, or will we continue to focus on all ages?

In addition, the management team will be faced with many smaller decisions. How do we respond to the power outage in our community when thousands of homes have been without electricity? What do we do when we find theft occurring regularly in our men's locker room? What do we do when BTS and Les Mills separate and pull apart?

(A different and more personal view on confronting reality is presented by Ralph Stayer in his book, "**The Flight of the Buffalo**," in which the President of Johnsonville Sausage reports that his company never really began to get truly healthy until he realized that HE was the problem. This is a rare description of a CEO owning up and taking responsibility.

Each of these decisions will have many different perspectives that need to be examined:

- What is the marketing impact?
- What is the impact on current members?
- What is the financial im-



## Roundtables for Executives

*the Club Owner's Edge in Work and Life*



**BROCHURE & INFO at:**

858/829-1615 or  
 www.REXonline.org

Will Phillips  
 Founder and Chair

*Ready for a REX Roundtable? Serious growth and deep learning? Chat with Will by phone or call to meet Will at IHRSA.*

**REX CHAIRS EIGHT CLUB ROUNDTABLES.**  
**Average annual growth of Roundtable Members, 18% per year over a decade!**

**New Roundtables forming on West Coast, Mid West and Long Is., NYC and N. NJ. APPLY NOW!**

part?

- What is the impact on our strategy?
- How will the community react?
- How will our staff respond?

One of the known factors about human beings is that no single person can take all of these factors fully into account in making a decision. In fact, they will usually fail to even see all of them. Or undervalue them. On a good management team someone will speak for the employees view, while someone else will speak for sales. And yet again, another person will speak about capital expenditures and cash flow. In order to make a good decision, we need to see all aspects of the decision before it's decided. This creates differences that should lead to conflict. If these differences are not surfaced fully on the table, no CEO or owner can make an informed decision. *It's not that you as a CEO are a poor decision-maker, but if you're getting incomplete information, you'll make a faulty decision. It is the old "garbage in, garbage out" problem.*

The fundamental purpose of the management team is to collect people with different perspectives who will readily put their views and concerns on the table in a constructive way so that all those sitting around the table can grapple with, challenge, explore, dig, test the reality of those various viewpoints. This enables not only the owner, but also the team to have a fuller understanding of which decisions will be more productive and valuable.

*In Part II next month in CLUB INSIDER's March, 2006 edition, we will cover Conflict and the Barriers to Good Decisions and in the April, 2006 CLUB INSIDER, Trust - the Primary Fuel Rod.*

*(Will Phillips the Author is the Founder and CEO of REX Roundtables for Executives which operates 24 industry roundtables including 10 for club owners and GMs in the US, Canada, Australia and New Zealand. A down loadable copy of this article will be on www.REXonline.org. under Management Briefings.)*

### Recommended Reading

- 1) From the introduction of "**The Five Dysfunctions of a Team** by Patrick Lencioni.
- 2) Read almost any of the writings of the great sports coaches of the world. Phil Jackson's "**Sacred Hoops**", talks about this self-sacrificing quality as spiritual learning and he that from the perspective of a head NBA basketball coach.
- 3) Scott Peck, author of "**The Road Less Traveled**", one of the more brilliant books on The basics of solving all problems.
- 4) A different and more personal view on confronting reality is presented by Ralph Sayer In his book, "**The Flight of the Buffalo**" in which the President of Johnsonville Sausage reports that his company never really began to get truly healthy until he realized HE was the problem. A rare example of a CEO owning up and taking responsibility.

# Norm's PERSONAL Notes

• I am very saddened to inform you that one of my and our industry's **BEST Friends**, RICK CARO, has lost his Mom. Mrs. Caro passed away on Saturday, February 21, 2006. May she Rest In Peace. My heartfelt condolences go to Rick, Mr. Caro and the entire Caro Family during this sad time.

• This is **NOT JUST A NOTE**. So, if you have no interest about my experiences as a "SPY ON OBESITY" for the health club industry and my very soon to be published book "**Leaving Fat City!**" and how it can help those fighting a **LOSING** lifetime battle against their weight, just skip this reading. You won't hurt my feelings. But, don't **MISS** my "Health" of the Club Business Survey single question at the bottom of my writing here.

However, if you want to know how **doggone deep** my **PASSION** for helping the obese and overweight people of America actually is, their **plight**, and one of **TWO** big reasons that I am writing my book, then by all means...**READ ON!**

Not long ago, "**BIG JOHN McCARTHY** wrote an article for CBI Magazine that really made me **THINK**. It was entitled: "What **DO YOU** want to be famous for?" I have figured out **MY PERSONAL** answer to that question! At about the same time, Thomas Plummer placed an ad for his awesome new club membership promotional program called **Find YOUR Reason** and you should see his ad on page #37 to the right. So, that too, impacted my thinking.

So, I now have an **answer** to Big John's question and I have **Found MY Reason**: My answer to John's question and my **REASON** is: **Health clubs of America attract only 14% of the U.S. population. I want to be "FAMOUS" for having, through my book, led the way by helping ALL OF YOU change that to 28%!** That would mean to **DOUBLE** our number of health club members in the United States from the current 43 million to 84 million.

Now...since you **ARE** reading on with me here, you just might be saying "**PRAISE the LORD!**...soon we can get and read '**Stormin Norman's**' book after he has been **PROMISING IT** to our industry for **FOUR FREAKIN' YEARS!**" It's about time!"

**VERY IMPORTANTLY**, I want all of you who have read in these page in the past about my book repeatedly from me these past four years, without me **YET DELIVERING THE GOODS, WHY** that is so. **WHY** has it taken four years to get this work to the point now where it is **ALMOST FINISHED?** I mean, really folks...I write the equivalent of **MY** book in a couple of month's of **CLUB INSIDERS**, so it was **not** the writing that has caused the delay...it was the **THINKING!**

The **two primary reasons** I have taken such time are: **#1** - I wanted to **THINK** very deeply and carefully about what I was going to write before I sat down to write it. **#2** - I wanted to be **absolutely 100% sure** I had **mastered** my own destiny with

respect to my **personal weight maintenance** before I wrote and published a book with such a title as "**Leaving Fat City!**", a book that is intended to change American's thinking about weight loss **and** health clubs.

By sharing my experiences and many **TIPS** and helping them learn a **FACT** they **don't know now**, **YOU** folks in the **21st century health club industry** are **TRULY THE "FINEST and MOST CARING PEOPLE THEY WILL FIND ANYWHERE, I intend to mobilize them!"**

I am going to help them **GET TO KNOW ME and YOU and YOUR CLUBS**, so the **OBESE and OVERWEIGHT PEOPLE OF AMERICA** will finally come to **YOUR CLUB** for the **FIRST TIME IN THEIR LIVES FOR THE HELP and CARE YOUR CLUB CAN PROVIDE THEM!**

From my writing here (for **YOU**) and in my book for **YOU ALL**, I want all of **YOU** to learn, to know and to understand, what I now know and understand from being a "**SPY ON OBESITY**".

After a bad auto accident and for ten years of **pain and poor personal discipline**, I had allowed my body, my **BIG OL "VESSEL FOR MY SOUL"**, to grow to a whopping **343** pounds!

**Thankfully** one day, when **Big Jim Flanagan** of **Nautilus** and **MedX** fame and I were talking, he suggested that he could set me up with a local Atlanta doctor for an exam and then possibly, if I was qualified, sessions on the amazing invention of the

genius known as **Arthur Jones**. In case you do not know Arthur, he is the man that invented both **Nautilus** and **MedX**. Jim gave me the doctor's name and number and I made an appointment. Miraculously, after just two 30-minute sessions on the **MedX Lumbar Back Machine**, the "**electric shocks**" and most of the **pain** I had experienced for **9 years** were gone! From those **two treatments** I was given a new lease on life! So, then I **went to work** on my "**vessel!**"

In **18 months** I **lost 110 pounds and 18 inches off my waist** using a program I wrote up myself and will cover in my book. And, for sure, the **most difficult thing to do**, I have kept **it OFF** for four years!

But here, I want all of you to **KNOW** about how **emotionally painful** this **obesity period** in my life was and what a **humbling experience** it was for me. I want you to know because you hold the **KEYS** to this fight against obesity in America. I also want you to understand why the book will be published...and that is to help you and all Americans **win this fight for their lives**.

I have not been **ALONE** in this struggle. In America, as you surely know, **60%** of our population is obese or significantly overweight. There are **175 to 180 million** overweight Americans. But, most of them, have not been as '**fortunate**' as yours truly.

I want **YOU** to **know** what is **driving me** and **why**. I am sure you all understand that harnessing the **POWER of YOUR MIND** and the **POWER of your**

member's minds...is the **KEY** to success in lifestyle change that does include weight loss. I believe in this motto: "**You Must Train Your Mind to Train Your Body!**"

For all of the reasons cited above, I have published this "**NORM's PERSONAL Note**" for you. I will work hard to complete my book. Look for it real soon.

"**Leaving Fat City!**" will be priced at \$7. It has **7 Chapters**. It will not take anyone more than **7 hours** to read, even if that much. The book will "**Tell-It-Like-It-Is!**" It will be an **easy read**. It will be **gutty**...all **absolutely true**...focused on sharing my experiences **only**...not on things I know little about. It will make some people **cry**. It will make some people **laugh**. It will, above all, give the **obese and overweight people** across **America HOPE** and a **PLAN** to **save** their **own** lives. It will be a vehicle for a "**message from above**" for all Americans. **STAY TUNED!**

• **GOD BLESS** our **Troops, Airmen and Seamen** in **IRAQ** and the **Middle East**, as they fight on for **Freedom** and another **Democratic foothold** in the **Middle East**. **GOD BLESS** the families of all of our **servicemen and women**. **GOD help** those **poor citizens of IRAQ** as they try to survive to enjoy the changes being made by **American sacrifice** in their country. And, **GOD BLESS** all of you in this exciting **New Year** and may he bring you and your **family health, great happiness and more profits** in your life! **STAY TUNED!**

## "Health" of the Club Business Owners Survey

I want to ask you to participate in this "Health" of the Club Business Survey. There is **ONLY ONE** question and that is: "**HOW** is(are) your club(s) doing now, as compared to how your club(s) were doing five years ago and **WHY** do you think that is?" Submit your responses to me via email to: [clubinsidernews@mindspring.com](mailto:clubinsidernews@mindspring.com) or by mail to: CLUB INSIDER, P.O. Box 681241, Marietta, GA. 30068-0021. Or, if you would prefer to send your written response to me via fax: 770.933.9698. Write as much as you want to write! I will keep your comments in the **STRICTEST of CONFIDENCE** if you indicate that is your wish. If your communication is shared, it will **only** be shared in a **TREND** report I will produce and that report **WILL NOT** name you or your club(s). Please be sure to provide your contact information so I can reach you if I need to. Please use this space or send your own document.

Blank lines for writing responses.

---

# **FIYR™**

**FIND YOUR REASON™**  
**TO LIVE, TO WORK, TO BE FIT**

---



**A NEW IDEA TO...**

**Increase Membership Sales**

**And Member Retention**

**[WWW.FINDYOURREASON.COM](http://WWW.FINDYOURREASON.COM)**

To Log In... Username: healthclub Password: reason

# "The Way I See It"

(an exclusive column featured only in "Norm Cates' Club Insider News")

By: Michael Scott Scudder

## WHERE WILL MEMBERSHIP PRICING GO? and WHAT CAN YOU DO?

Sometimes the perspective of a "heyoka" (in the Lakota heritage, a *contrary* – one who sees and does things differently) is necessary to balance over-zealousness about an issue. I happen to believe that contraries are absolutely indispensable in every environment, be it business, social or otherwise. They tend to make us think. It is with that in mind that I write this column.

As I continue to witness a seemingly ever-increasing, over-abundance of fitness facilities coming into the North American market, all of these facilities purporting to have the magic formula for attracting members (which for all intents and purposes, is the name of the game), I cannot help but believe membership pricing is going to become a key issue in our industry. I think there are four (4) main reasons that support the possibility of this happening very soon:

1. Segmenting of club markets and increase in big-player competition
2. Dissipation of management efforts in the average club
3. Savvy of today's consumer, comparison-shopping and value-buying
4. Imbalanced supply and demand usually occasions commoditization.

### SEGMENTING OF CLUB MARKETS AND INCREASE IN BIG-PLAYER COMPETITION

I have long said that the *middle of the market* has been the primary domain for the health club industry. Now, the *top of the market* is beginning to be under siege and soon the *lower end of the market* will attract (probably) the most attention.

The middle of the market is the "gym" business, the ma-and-pa local entrepreneurs, and the mid-priced operators, usually independents, with one club. This roughly-65% of club count presently wears a big target on

its back and that target is being aimed at by high-market-presence, effective-marketing players like *LA Fitness*, *24 Hour Fitness* and *Bally Total Fitness*. Who is going to compete with them in the \$29 to \$49 a month segment? The little guys? I think not!

Accompanying this phenomenon is the introduction of buying groups that are starting to scoop up small regional chains like it is going out of style...the eventual aim apparently being to create cash-flow gems that will be bought out later by larger players.

The top-end segment is still fairly secure, except where a behemoth like *Lifetime Fitness* is in the marketplace, or soon to come into it. There will likely be other big-box, medium-price companies that will have a big effect on the high-end dues organizations. Several cities are evidencing that already. Will really high-end independents still be around? Yeah...as long as the economy stays strong.

The lower-price sector of the national club scene is my bet for the best growth. Entities like *Planet Fitness*, *Cardinal Fitness*, *Anytime Fitness* and others are presently impacting markets all over the country, producing membership sales numbers that have heretofore, been unheard-of! (The "average" *Planet Fitness* adds nearly \$6,000 per month, month-after-month, to EFT dues bases of their franchise clubs – in an operating environment that costs up to 25% less than the average club!)

### DISSIPATION OF MANAGEMENT EFFORTS IN THE AVERAGE CLUB

While nobody but me seems to be willing to recognize it, clubs in general are not supported by membership dues...nor have they been for apparently several years! Thus, clubs have *had to* attempt to develop profit centers to offset dwindling or no margins on membership dues.

Unfortunately, this has heavily taxed management at most facilities and created a "service to members" issue in most clubs. In other words, the customer is getting less value than ever before, unless they

buy additional fee-paid services! As clubs seek out more and more ways to keep the ink black at the bottom line, they are invariably chasing present members to other options. The low-pricers are benefiting every day from this fact.

### SAVVY OF TODAY'S CONSUMER COMPARISON-SHOPPING AND VALUE-BUYING

The modern end user has become accustomed to value-for-price in nearly every segment of his/her daily life. Our 21<sup>st</sup> century club member or club-member-prospect fully understands that "bundled dues" means you pay for things you may not use in order to use the services you want to use...an inequitable situation, as far as most buyers are concerned.

Customers are not stupid. They recognize that they are subsidizing that group exercise program, that swimming pool, that child care room...and they are beginning to become aware that there are alternatives! Lower-priced alternatives.

It is inevitable that, as a slowing economy shrinks discretionary-purchase dollars in the average household, shoppers will gravitate towards the same (or more) perceived quality or benefit at a lower price.

### IMBALANCED SUPPLY AND DEMAND USUALLY OCCASIONS COMMODITIZATION

One has to be blind not to see the inordinate over-supply of health club choices in almost every marketplace today. Industry leaders attest to the fact that we now have a much greater supply of clubs than we have a net increase in memberships. Average membership-numbers-per-club has slipped southward for the last decade.

It is an economic inevitability that an imbalance in supply versus demand most usually precedes commoditization. Commoditization in a consumer-based economy produces price-dropping. Price-dropping will, in many areas, mean a lower fee-per-member. This bodes well for the highly-organized, limited-offering systems that

the entrepreneurs like *Planet Fitness* are introducing in cities around the country.

In summary, I think it reasonable to say that, while certain high-end players will continue to thrive, in general the health club national marketplace is in the early stages of a down-pricing process. This will deeply affect the industry as a whole, driving out many already-weak operators but promoting the growth of the new entrepreneurs who understand the "new game in town."

### WHAT CAN YOU DO?

While I truly wish I had magic formulas to give out to everyone, I do not. But I do have a few thoughts that may help you.

• **High-priced club:** Keep your dues line up and invest in service training for your staff to maximize member retention. Seek additional special-programming revenues which will also help to distinguish you in your marketplace.

• **Medium-price facility:** Analyze your entire operation. Eliminate costly and/or unprofitable amenity programs and services, hard as that may be. If you insist on keeping those losing departments, attempt to unbundle memberships and start charging fees for programs and services that your dues base simply can no longer carry.

• **Lower-price players:** You may just be in the catbird seat. However, it is not price alone that guarantees



Michael Scott Scudder

success...it is consistently outstanding marketing. If you can't - or don't know how to - do the latter, consider converting to a national franchise operation.

(NOTE: In an effort to educate clubs on current issues and strategies, I have developed a series of low-cost online "LearnShops." Some of these are: "Building A Personal Training Business in Your Club;" "What Do You Do with a Mediocre Group Exercise Program?;" "Should You Consider Becoming A Low-Price Club?;" and "The NEW New Member Intake and Orientation System." Check my web site, [www.michaelscottscudder.com](http://www.michaelscottscudder.com), for details.)

'Til next time - MICHAEL

(Michael Scott Scudder, a contributing author for "Club Insider News," owns and operates "MSS FitBiz Connection" – an online-based club consulting and training service. Michael can be contacted at 505-751-4248 or by email at [michaelscottscudder@yahoo.com](mailto:michaelscottscudder@yahoo.com).)

Norm Cates'  
**THE Club Insider**  
 NEWS

Seeks Contributing Authors!

Contact Norm Cates

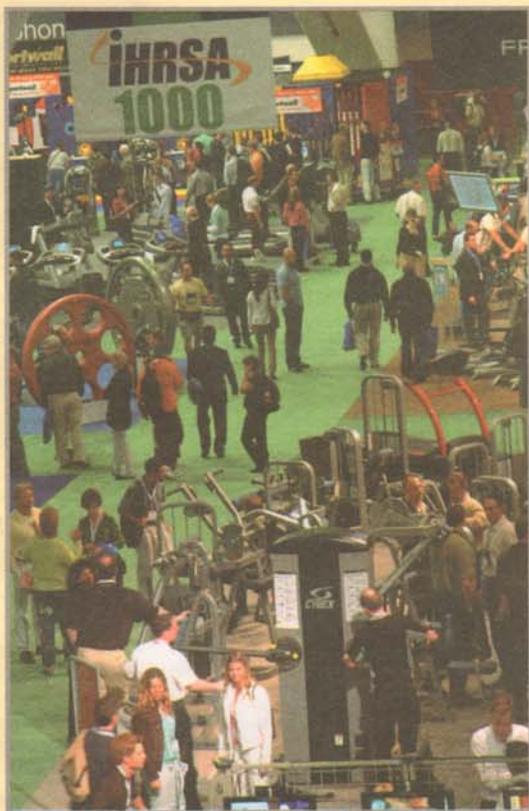
(770) 850-8506

or Email:

[clubinsidernews@mindspring.com](mailto:clubinsidernews@mindspring.com)

# We call it a trade show. You'll call it 'spectacular'!

The 25th Anniversary International Convention and Trade Show.  
March 20-23, 2006, in Las Vegas, Nevada



Make plans to experience the fitness industry's largest trade show at the IHRSA 25th Anniversary International Convention and Trade Show.

We anticipate over 400 exhibitors with the latest equipment, products, and services available. They will be ready to exceed your expectations as you look to equip a new club, expand your training business, or enhance the experience you offer your members/customers.

240,000 square feet of pure energy. Electrifying morning exercise classes to try the latest in programming, technology and design. And a 'golden' opportunity to prepare your business for the next twenty-five years. Don't miss it! Time is running out.

**BREAKING NEWS! FORMER PRESIDENT BILL CLINTON WILL DELIVER A KEYNOTE ADDRESS AT IHRSA25.** President Clinton will address convention attendees on the morning of Tuesday, March 21.



**TO REGISTER FOR THE TRADE SHOW OR FOR MORE INFORMATION ON THE FULL IHRSA CONVENTION — including Former President Clinton's keynote address, visit [IHRSA.org/convention](http://IHRSA.org/convention) or call Dionne at 800/228-4772 Ext.183.**

[www.ihrsa25.org](http://www.ihrsa25.org) **1981** 1982 1983 1984 1985  
**2006**

1986 1987 1988 1989 1990 1991 1992 1993 1994 1995  
1996 1997 1998 1999 2000 2001 2002 2003 2004 2005

2007 2008 2009 2010 2011 2012 2013 2014 2015

2016 2017 2018 2019 2020 2021 2022 2023 2024 2025 2026 2027 2028 2029 2030

**...Podfitness**

continued from page 3

these guys think something is hot, it may well deserve a closer look. I personally have gone through the plans BTS has for Podfitness and this is an incredible opportunity for club owners.

**What is Podfitness?**

Podfitness is the world's first customized audio workout where your members do everything through www.Podfitness.com. Here's how it works:

- Choose your training coach from weight loss to running a marathon to weight lifting.
- Answer 17 short questions about you and select the type of workout, then

Podfitness will customize your fitness plan based upon your exercise experience, fitness level and goals.

• Choose the music you want from classical to rock from either Podfitness or your own personal music library. You simply send it to your iPod or MP3 Player utilizing your computer.

• Unlimited monthly downloads are only \$19.95.

Listen to a demo at [www.Podfitness.com](http://www.Podfitness.com).

**How Can I Become an "Official Podfitness Facility"?**

Contact BTS who is the exclusive distributor for Podfitness for the club industry for details. Call 800-729-7837 X 248 or email [pod@bodytra iningsystems.com](mailto:pod@bodytra iningsystems.com) and sign up for a free webcast which will

explain all the details.

There are three easy steps to becoming an Official Podfitness Facility.

1. Purchase a start up kit for each location you plan to authorize. The kit includes great looking posters, banners and counter cards to help market Podfitness.

2. Place the marketing materials in high traffic areas and educate your members and staff on the benefits of Podfitness.

3. Your club will receive a commission through May 31, 2008 for each member or guest who enrolls. THE SOONER YOU ENROLL THE SOONER YOU TAP THE 42 MILLION IPOD USERS.

**Will There Be Any Consumer Promotions?**

Absolutely! Podfitness is launching nationally in March 2006 at FYE Records in Time Square in New York City. This national launch will be accompanied by a full page ad in the New York Times for Podfitness. FYE is only one of 1,200 record stores across the country who will be launching Podfitness at retail (Podfitness will be sold everywhere at \$19.95 per month). Other retailers and magazines will be carrying Podfitness such as Walmart and the Weider Publications.

Podfitness will launch their club locator on the Podfitness.com website as soon as we enroll 1,000 Official Podfitness Facilities. Your club listing as an Official Podfitness Facility will drive guest traffic

to your club from those retail sales.

**Marketing Materials**

Sherry Robb of Market My Club has developed fantastic marketing materials for the start up kits plus a "Go Pod or Go Home" complete marketing kit which includes posters, banners, referral cards, direct mailer and newspaper ads. The "Go Pod or Go Home" kit is designed for those clubs wishing to take maximum advantage of this incredible new product launch.

An average size club can earn over \$30,000 in commissions on an investment of less than \$200. I think it will be worth your time to spend 30 minutes on a free webcast to learn how you can take advantage of this exciting new product launch. - Norm Cates

**Fitness Management** MAGAZINES

1995-2004 10th ANNIVERSARY

Tracking the TOP 20

**Fitness OnSite**

How to Start a Successful Fitness Business

**FMY Fitness Management**

Strength Exercise Keeps Kids Active

Setting an EXPERIENCE Getting to the Heart of Wellness

JCCs Mentor Women to Become Coaches

To Partner with Hospitals to Benefit Communities

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 (check one) \_\_\_\_\_ phone # below.

\_\_\_\_\_ email address below.

Name: \_\_\_\_\_

Club or Company Name: \_\_\_\_\_

Address: \_\_\_\_\_ City: \_\_\_\_\_

State: \_\_\_\_\_ Zip: \_\_\_\_\_

Phone #: (\_\_\_\_) \_\_\_\_\_ - \_\_\_\_\_ Fax #: (\_\_\_\_) \_\_\_\_\_ - \_\_\_\_\_

E-Mail: \_\_\_\_\_

**Club Insider News Advertisers**

- CheckFree Corp - Pg 2 Fax#:(678) 375-3304
- Sales Makers - Pg 7 Fax#:(845) 736-0508
- Affiliated Acceptance - Pg 9 Fax#:(573) 374-9972
- Springfield Corp - Pg 8 Fax#:(770) 729-0995
- Body Training Systems - Pg 39 Fax#:(770) 424-1590
- National Gym Supply - Pg 13 Fax#:(310) 280-0937
- Friday Reports - Pg 10 Fax#:(212) 987-4227
- ABC Financial Services - P 11 Fax#:(501) 992-0851
- Visual Fitness Planner - Pg 14 & 15 Fax#:(877) 616-1681
- InTek Strength - Pg 17 Fax#:(618) 988-1313
- Thomas Plummer - Pg 21 Fax#:(508) 833-3074
- Professional Club Management - Pg 19 Fax#:(281) 894-1235
- Club Performance Network - Pg 24 Fax#:(770) 350-8912
- Active XL Promotions - Pg 5 www.clubperformance.org
- NuStep - Pg 32 www.nustep.com
- Kids PACE Express - Pg 29 www.kidspacexpress.com
- MarketMyClub.com - Pg 5 www.marketmyclub.com
- JLR Associates - Pg 12 jr@jlrassoc.com
- IHRSA - Pg 37 Fax#:(617) 951-0056
- Blends-4-You - Pg 23 Fax#:(805) 367-8288
- Fitness Management & Consulting - Pg 22 Fax#:(214) 292-9553
- Fair Finance - Pg 30 Fax#:(866) 329-3247
- EasyZone Weight Loss Centers - Pg 25 Fax#:(905) 304-7732
- Susan K. Bailey Advertising - Pg 31 Fax#:(613) 969-1836
- World Gym International, Inc. - Pg 20 Fax#:(310) 827-6355
- Find YOUR Reason - Pg 35 Fax#:(508) 833-3074
- Iron Grip Barbell Company - Pg 27 www.irongrip.com
- PureFit "Award Winning" Nutrition Bars - Pg 18 Fax#:(949) 679-7998
- Club Broker - Pg 19 Fax#:(480) 821-8993
- REX Roundtables - Pg 33 www.rexonline.org

**...In Review**

continued from page 32

• GOD BLESS our Troops, Airmen and Seamen serving in IRAQ and the Middle East, as they fight on for Freedom and another Democratic foothold in the middle east. GOD BLESS the families of all of our servicemen and women for the sacrifices they make too. GOD help those poor citizens of IRAQ as they try to survive to enjoy the changes being made by American sacrifice in their country. And, GOD BLESS all of you in this exciting New Year and may he bring you health, happiness and more profits in your business and a happy, healthy life!

**STAY TUNED!**

**MAKE IT FUN!**



For "Tiger"

For subscriptions to any of these magazines, visit our website at:  
<http://www.fitnessmanagement.com>

For advertising, call your representative today

**CHRIS BALLARD** / Publisher 760 779-0917 [chris@fitnessmgmt.com](mailto:chris@fitnessmgmt.com)  
**ANDEE BELL** 530 661-7585 [andee@fitnessmgmt.com](mailto:andee@fitnessmgmt.com)  
**APRIL GREVES** 530 756-6824 [april@fitnessmgmt.com](mailto:april@fitnessmgmt.com)

# Get your piece of the Pod.



## Podfitness.com™

Your Music. Your Workout. Your Way.

The world's first **customizable audio workouts** for your members. With over 42 million iPod® users, your club can be at the front of this consumer craze.

Find out today how you can be an official **Podfitness** facility!

Call 800.729.7837 Ext.248

Email [pod@bodytrainingsystems.com](mailto:pod@bodytrainingsystems.com)



Visit us at  
**IHRSA**  
Booth 2491

Developed by Podfitness and Power Music and brought to you by Body Training Systems.

© 2006 Podfitness, Inc. Patent pending. All rights reserved iPod® is a registered trademark of Apple Computer, Inc. All rights reserved. Apple is not a participant or sponsor of this promotion.

THE HOTTEST TICKET TO THE COOLEST PARTY OF THE YEAR

# THE BASH

## FOR AUGIE'S QUEST

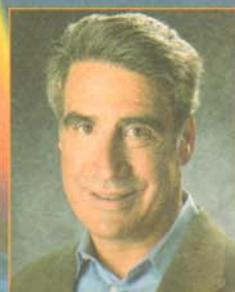
The Sights...The Sounds...The Excitement



Special Appearance  
*Lance Armstrong*



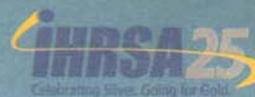
Exclusive Private Performance  
*The Doobie Brothers*



Chief Inspiration Officer  
*Augie Nieto*

MARCH 22, 2006  
LAS VEGAS HILTON

Tickets: \$300 pre-registration  
\$350 at the door



CONTACT BASH HEADQUARTERS AT (858) 277-8206 or visit us online at [www.augiesquest.org](http://www.augiesquest.org)