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Norm Cates'

CLUB INSIDER

CELEBRATING 25 YEARS OF TRUST

Workout Anytime Leaders Bring Vast Experience to the Industry

By: Norm Cates

The health and fitness club industry is one in which its participants have the opportunity to create great businesses that help people, provide employment for the owners and chosen staff members, and in general, are true assets to any community anywhere.

But, a key factor holding back some potential health and fitness club owners/operators is the lack of experience in the club business they would like to be involved with. It's been argued that a new club owner/operator, any individual without

experience in the health and fitness club business, has set a very high bar to clear should they decide to take the capital they have available, lease a space, design, build, equip and open a health club. In fact, they are kind of playing what we might call here: *Business Russian Roulette*.

The missing ingredient, **experience in our industry**, is a key and critically important ingredient, and it's one that, should they proceed without, makes the chances of success small. Unless they find help that fills that gap, they may be fighting a seriously uphill battle from day one. Without qualified help, their potential



for success is low. So, today, we will be talking about getting that help, and I'm talking about very highly qualified and experienced help before one takes that plunge and dives headfirst into the health

and fitness club industry and finds out that the pool is nothing but concrete.

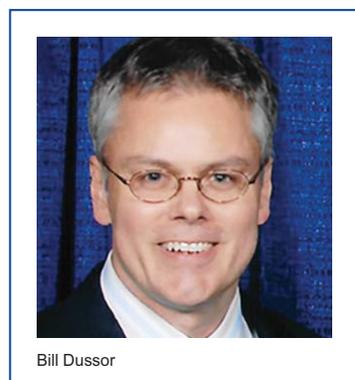
This Cover Story is about **Workout Anytime**, an organization that was created (See *Workout Anytime* Page 10)

Bill Dussor, Longtime IHRSA Staff Member, Passes Away

BOSTON, MA - Sadly, we at IHRSA lost one of our own on Saturday, January 13. **Bill Dussor**, *Director of Meetings & Trade Shows emeritus*, passed away after a long battle with colon cancer.

While Bill was respected and well-liked by the many industry leaders that have served on the IHRSA Board of Directors during his tenure at IHRSA over the past 26 years, the reality is that the vast majority of IHRSA members probably never had met Bill; but if you ever attended an IHRSA event, then you've experienced the fruits of his labor. Bill worked diligently and tirelessly behind the scenes, logging an insane amount of late-night and pre-dawn work hours ensuring that each event went off without a hitch.

"The IHRSA family is deeply



Bill Dussor

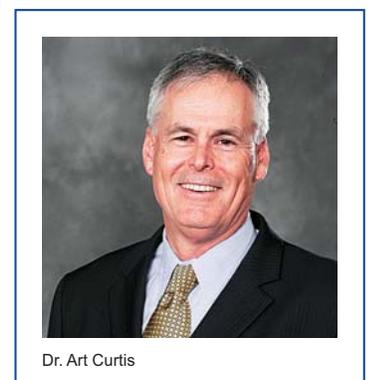
saddened by the news of Bill's passing," notes **Joe Moore**, *IHRSA's President* (See *Bill Dussor* Page 6)

IHRSA to Present Dr. Art Curtis With Dale Dibble Distinguished Service Award

BOSTON, MA - IHRSA, The International Health, Racquet & Sportsclub Association is pleased to announce that the **Dale Dibble Distinguished Service Award** will be presented to **Dr. Art Curtis** during IHRSA 2018, the 37th Annual IHRSA International Convention & Trade Show, being held in San Diego, CA, March 21-24, 2018.

The award, which recognizes an individual within the Association who has excelled in their contributions to the industry and IHRSA, will be presented on Wednesday, March 21.

Curtis, president of Curtis Club Advisors, LLC, an industry veteran of more than 35 years, served as a CEO and COO of several leading health club companies, including Millennium Partners Sports Club Management, Wellbridge and the



Dr. Art Curtis

Columbia Association.

Curtis served as a member of (See *Dr. Art Curtis* Page 6)

Inside the Insider: Edition #290

- Exercise IS Medicine! - By: Mike Alpert
- Planet Fitness Expands Global Footprint to Mexico
- Locker Room Legal Issues - By: Paul R. Bedard, Esquire
- Visual Fitness Planner Accelerates its Growth Plans by Adding Kevin Bryant
- Inviting Difficult Conversation - By: Karen Woodard-Chavez
- Crunch Fitness Appoints Dan Gallagher to Chief Financial Officer
- Eleven Predictions for the Fitness Industry in 2018 - Part I - By: Stephen Tharrett & Mark Williamson
- And, of Course, *Norm's Notes*
- "In Touch" With Jeramy Fishel - By: Norm Cates

Norm's Notes

■ **Hello Everybody!** This is your **Club Insider Publisher and Tribal Leader** Since 1993 checking in with our 290th monthly edition of **Club Insider!** Justin and I are *very happy* to be celebrating our 25th Anniversary of **Club Insider** this year, and we **Thank You** for being with us here today. And, we **Thank You and Appreciate** all the other times you've tuned in with us here, either in print or reading **Club Insider Online** or our **Club Insider Weekly eBlasts**. Read on as we've produced another blockbuster of edition for you... and here it is... right here and right now!

■ **Are America and Canada GREAT COUNTRIES** or what? Hmm... hmm... hmm! God bless the American and Canadian Olympic Teams, and may God bless both countries!

■ **IHRSA's 37th Annual Convention and Trade Show** will be held in beautiful San Diego, California, March 21 - 24, so it's right around the corner! I hope you've made plans to attend because it will be terrific, as it always is, and there'll be a huge gathering of folks like you, over 15,000 people from around the world, celebrating the wonderful industry that we all love and being part of learning more and getting better and better at the operation and management of your club(s). And, the mere fact that the **IHRSA Show** is in beautiful San Diego, California, in

my book one of the most beautiful cities in the world, makes it an even better deal to go there. **Don't miss it, folks!** Go to www.ihrsa.org and **Register!** You will be **GLAD** you did.

Importantly, please be sure to set aside adequate time to attend the **ENTIRE IHRSA TRADE SHOW**, which will be happening on **Thursday, March 22nd from 10AM to 6PM** and **Friday, March 23rd, with Early Morning Workouts, from 6:30 to 8:30AM** and **Trade Show hours of 10AM to 5PM**. This will be another monster of a trade show, and I urge you to walk the entire Show and do business with our Advertisers listed below. And, during the show, please be sure to stop by and visit our **Club Insider Exhibit #2834**, where we'll be celebrating the 25th Anniversary of **Club Insider!**

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Also, during the **IHRSA Conference**, there will be some **great keynotes**, as well as **Rick Caro's 22nd Annual Financial Panel** on **Friday, March 23 at 10AM**. **IHRSA 2018** is a **Don't Miss Event**, so **book today!**

■ **Speaking of IHRSA**, these are the words in the announcement of the passing of **BILL DUSSOR**, IHRSA's highly successful Director of Meetings and Trade Shows Emeritus: "**BILL DUSSOR, Longtime IHRSA Staff Member Passes Away**. Sadly, we at IHRSA lost one of our own on Saturday, January 13. **Bill Dussor, Director of Meetings & Trade Shows Emeritus**, passed away after a long battle with colon cancer." **IHRSA Staff - January 15, 2018**.

Folks, using the **IHRSA meetings and trade show performances** as a gauge, with my observation of 36, soon to be 37 years of our U.S. **IHRSA Conferences and Trade Shows** as essentially being flawless year-in-year-out, I don't believe that **Bill Dussor** could possibly have done a better job on the work he did as IHRSA's Director of Meetings & Trade Shows over many years. **As IHRSA's 1st President and a Co-Founder of the Association with my good friend, RICK CARO**, my biggest regret is that I didn't say these words face-to-face to **Bill** before he passed away.



Norm Cates

So, today I'm going to say the following words to **JOE MOORE, IHRSA CEO and President**, and to his entire **IHRSA Team**, and I want all of them to hear me via this keyboard. **To Joe and the Great IHRSA Team: I want you all to know that I'm extremely proud of the job y'all do for IHRSA, and you should all be very proud of the job you do and the product you deliver to this industry worldwide. Words cannot express the depth of my respect and the magnitude of my appreciation for all you great IHRSA Team Members.** I, for one, am going to say, "Great job!" to every **IHRSA Team Member** reading this now and all of you
(See *Norm's Notes* Page 7)

About Club Insider

CELEBRATING 25 YEARS OF TRUST

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PUBLISHER and TRIBAL LEADER - Norm Cates, Jr.
ASSISTANT PUBLISHER - Justin Cates

PRINTING and MAILING SERVICES - Walton Press

Club Insider
P.O. Box 681241
Marietta, GA 30068

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www.clubinsideronline.com

Proudly Published in The United States of America



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Exercise IS Medicine!

By: **Mike Alpert**

Over the years, it seems that the number of people who are affected by chronic illness has grown exponentially from when I was a kid. Back then, we never heard of Alzheimer's or Dementia. Obesity rates were so much lower, and so were the offshoots from it. Although people did die from cancer and heart disease, it certainly did not seem like it affected so many people in any community as it does today. And, back then, we ate meat and potatoes; drank whole grade D milk, had eggs several times a week and drank Coca-Cola. And, let's not forget the candy bars that every kid devoured: Baby Ruth, Snickers, Almond

Joy, Butterfingers and the list goes on and on. What changed?

Back then, we grew up in neighborhoods where not many kids came from homes that spoiled them with money and material things. I can't even imagine asking my Dad for \$85 to go skiing for a day or money to play golf. We played all day because there was nothing else to do. We were outside at the baseball field or basketball courts and didn't come home until dinner time. There were no computers or cell phones and no internet. We had one television set in the house, and most of us fought with our siblings over which show we would watch in the evenings or weekends. And, our mothers made food from scratch.

There were very little, if any, boxed foods served. It also seems that there were many less pesticides and additives used to preserve food for longer shelf life. One thing is for sure: kids were much more active, and we ate better foods. And, when we went out for lunch or dinner, we were not "super" sized.

Then, there was the real estate boom and inflation that put so much pressure on households to have dual wage earners. Basics like food, gasoline and cars began to spike in prices, and it seems that we got consumed with material things. So, we worked longer hours, and as a result, we had less and less time for exercise and family.

So, the question that comes to my mind is this: Are these changes in lifestyle related to the increase in chronic illness that we see year after year? I think that they are directly related to this. Take a look at Alzheimer's Disease. For the longest time, the scientists' and physicians' belief was that we were born with certain neurons in our brains and that, as we aged, we began to lose these neurons and our brain began to shrink. But, today, with very sophisticated cognitive MRIs, we now know that, if a person exercises and stays active, their brain actually grows as they age, and it grows in key areas, those that affect Alzheimer's and Dementia. We also know the powerful affect that exercise has on health. We know that people who exercise regularly and eat healthy reduce their chances of heart and lung disease, certain types of cancer, diabetes, hypertension



Mike Alpert, Claremont Club President & CEO

and a myriad of other chronic illnesses.

If we know all this to be true, why have we taken physical activity out of schools? Why are there not national and local television and media coverage and campaigns to get America healthy by exercise? Why is it that every physician in our country is not prescribing Exercise instead of costly prescriptions and procedures? Healthcare is a mess in our country, and it needs to re-focus on the solution: Exercise and healthy eating habits. We are the magic Pill! Exercise IS Medicine!

(Mike Alpert is the President and CEO of The Claremont Club in Claremont, California. Mike can be reached at malpert@claremontclub.com.)



...Bill Dussor

continued from page 3

& CEO. "He was unique, a person who could seamlessly orchestrate thousands of moving parts without seeking the limelight."

Bill began his career at IHRSA in 1992 and has served several functions here, including managing membership sales and program marketing, as well as meeting, education and trade show management. A native of upstate New York, Bill previously worked in the hotel and hospitality industries in Albany, including contributing to the "I Love NY" campaign, and in Boston, where he worked with national and international organizations in the planning and execution of meetings and events worldwide.

"Bill was not only a true friend, but the consummate professional," notes **Jay Ablondi**, IHRSA's Executive Vice President of Global Products. "He believed in providing the highest caliber service to IHRSA members and worked tirelessly to ensure every event attendee or exhibitor received 5-star service. I learned a tremendous amount from Bill over the years as I'm sure others have that had the opportunity to work with him. He will be

dearly missed."

At IHRSA, Bill will be remembered most for his high standards, relentless meticulousness and attention to detail. Staff often joked with him about how particular he was about labels being perfectly straight, that edits were only done in red pen and that we only use large paper-clips (and never staples).

But, it was that level of attention to detail that resulted in each IHRSA International Convention & Trade Show, IHRSA European Congress, IHRSA Institute, Board of Directors meetings and other events he has managed over his long career running smoothly and with utmost professionalism. So, even if you never met Bill, every time you attended an inspiring keynote presentation, were awed by the vastness of the IHRSA Trade Show or booked a discounted hotel room, it was Bill's preparation and management that laid the groundwork for your experience.

One of Bill's tenets was to "always have a Plan B," a task he fulfilled by helping us get everything in order for IHRSA 2018, our first convention without him. And, while we're confident Bill's work will result in yet another great event, we will forever miss our "Plan A."

...Dr. Art Curtis

continued from page 3

the IHRSA Board of Directors from 2005 to 2011, serving as Chair for two terms. He has consistently supported IHRSA during his more than thirty years of IHRSA membership, contributing to public policy efforts, participating in programs and attending Annual IHRSA International Convention & Trade Show. During his time as Chair, Curtis played an integral role in conceiving what is now the IHRSA Foundation, a charitable organization that supports evidence-based wellness programs.

"When Joe Moore called to tell me that I would be receiving the Dale S. Dibble Distinguished Service Award, I was frankly speechless. I had the great pleasure of meeting Dale Dibble early in my career. It is an incredible honor to receive the award named in his memory and join the community of past recipients. I am very fortunate to have a career in an industry that I love being a part of, that has introduced

me to so many wonderful people and that is so fulfilling on so many levels," said Curtis.

"I am thrilled to recognize Art Curtis' dedication to the industry and to IHRSA by presenting him with the Dale S. Dibble Distinguished Service Award," said **Joe Moore**, IHRSA president and CEO. "Art embodies the spirit of the Dale Dibble Award. He is intelligent, engaged and willing to share his experience and knowledge with others," added Moore.

Curtis holds a Bachelor's Degree in business administration and a Master's Degree in exercise physiology from Bowling Green State University in Ohio. He received his Ph.D. in exercise physiology from the University of Maryland, where he served as a research assistant in the newly-created Sports Medicine Center. He is a fellow of the American College of Sports Medicine and was among the first certified by ACSM as both a Director of Preventative and Rehabilitative Exercise Programs and a Clinical Exercise Specialist.

The IHRSA Awards Program seeks to "recognize, celebrate, and inspire."

...Norm's Notes

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I encounter at the **IHRSA 37 Convention and Trade Show in San Diego**. And, to all of my friends reading this edition of **Club Insider** who're IHRSA Members and Associates and will be in San Diego, too, I want to ask you to smile and say, "Great job!" to **Joe Moore and Team IHRSA** whenever you see them at the show. These belated Thanks, and my sincere expression of my great Appreciation to **Bill Dussor** for the great job he did for **IHRSA** during his 26 years there may be late, but I hope Bill's family and the entire IHRSA Team will accept these comments in the spirit in which they're made. **Great job, Bill! Great job, Team IHRSA! And, May Bill Dussor Rest In Peace.**

■And, while we are talking about IHRSA, let me mention IHRSA's Vice President of Communication & Leadership Engagement, the lovely **MEREDITH POPPLER**. Meredith recently sent me a chart entitled: **The 2017/2018 IHRSA Advocacy Threats**, which summarizes a whole bunch of really excellent reasons your club(s) should be an **IHRSA Dues paying Member Club(s)**. That's because IHRSA is looking out for your clubs all across the country by, **early on, dealing with State Legislation that might be harmful to you club(s)**. Take, for example, right here in my home state of **Georgia**, IHRSA is monitoring legislation that would eliminate sales tax exemptions and expand the tax to services (likely health club memberships and club services). Other examples... in the **states of Maine, West Virginia, Wyoming, Illinois** and

Montana, IHRSA DEFEATED measures which would have expanded proposals to impose sales taxes on health club memberships! Certainly, should the measures be approved, it would clearly be a move that would be detrimental to the health club industry in those states. Also, on the **sales tax front**, in 2018, **IHRSA expects to face sales tax expansions in Pennsylvania, West Virginia, Wyoming, Georgia and Arizona**. Bottom line: **We need your club to join and support IHRSA! Call IHRSA today at (800) 228 - 4772 and Press #1 for the Membership Department. You will be GLAD you did!**

■Please be sure to "Save The Date" for the **Club Industry Show in Chicago October 24 - 26**.

■Congratulations to **DAN GALLAGHER** and **Crunch Fitness** as the company has appointed Dan to be **Chief Financial Officer**. Gallagher is formerly the **CFO** of **KB US Holdings and Town Sports International Holdings, Inc**. See the **Press Release on Page #27**.

■Congratulations to the **National Federation of Professional Trainers (NFPT)** as they celebrate their **30th Anniversary!** NFPT certified its first personal trainer in 1988 and have certified thousands since. **Ron Clark, CEO of NFPT**, had this to say:

"NFPT is different; we're unique in our approach to learning, but we're most different in how we care about our trainers. In all things, you get what you give. We give to our trainers in ways that are personal because it's who we are. Our trainers return to us a renewed daily energy that

encourages our advancements and new developments. I know what personal training can do in the lives of the trainer and those they train because I've lived it firsthand. This industry blessed me with my calling 30 years ago, and I have continued working in it ever since. There's no other industry with a steadfast desire to get people engaged in improving their quality of life through fitness, and there's nothing more fulfilling than seeing it grow."

NFPT also announced that they've established a joint effort with **ClubConnect** to bring a foundational learning approach

to personal trainer certification preparation. In this new relationship, clubs that use the **ClubConnect** educational platform (www.clubconnect.com) now have the option to access NFPT's personal trainer educational material and assessment demonstration videos for the purpose of learning and growing in the personal training profession.

■**PRIDE**. What things do you take **PRIDE** in with respect your club(s)? Just ask yourself that question. For the fun of it, take a piece of paper and write them down. Then, (See *Norm's Notes* Page 8)



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...Norm's Notes

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consider this word: **Admire**. Do you like for your club to be admired? **Sure, you do!** I'm asking you these questions for two reasons.

Reason #1 is that, in this month's amazing **Club Insider Cover Story** featuring the principals of Atlanta-based **Workout Anytime**, **STEVE STRICKLAND**, **JOHN QUATTROCCHI** and **MARK de GORTER**, as well as the lovely **MARNIE SAYLOR**, they discuss their goal of being the most admired club franchise

there is. In our in-depth interview, **WOA Chief Operating Officer, MARK de GORTER**, mentions that the *top goal* they have on their list at **Workout Anytime** is to have such an excellent company that it becomes the **MOST ADMIRE**d Club Franchise Company. I, for one, *admire* that goal and think it's a terrific one to have.

And, **Reason #2** I mention **PRIDE** in this **Norm's Note** is that, as I was simultaneously producing this blockbuster of a Cover Story about **Workout Anytime**, I got to thinking about **how much PRIDE** my son, **JUSTIN CATES**, and I have in **WHAT** we do for you and **WHY** we do it.

Justin and I take great PRIDE in the fact that we are driven by our deep desire to help **YOU** all, our friends and readers for **many years, make your club business better and better**. And, when I write, "*for many years*," I'm not joking... **because I've been blessed to have been friends with some of you for over 40 years!** I take enormous pride in that fact! Moreover, and more about **Reason #2** is that, in preparation of this month's Cover Story, I had to go to our **Club Insider Archive Library** to remind myself of the months we had done cover stories on two other great companies: **Planet Fitness Franchising** and **Crunch Fitness Franchising**. While looking through our **Club Insider Archive Library**, which by the way, **now contains 290 monthly editions with 9,500+ pages right at your fingertips, I really was proud!** Simply go to www.clubinsideronline.com/archives. You do not have to be a paid subscriber to see all 290 of our terrific **Club Insider Cover images** and preview almost 4,000 articles. *But, after you see all those past Cover Stories and other articles and stories you should read, we hope you'll DECIDE to become a Paid Subscriber so you can receive all the benefits of a Club Insider Subscription, which includes unlimited access to our 9,500+ page Archive Library, in addition to a new printed edition being delivered to your door every month for 12 or 24 months.* If the front cover of this month's edition says, "**PROMOTIONAL COPY**," you are not a Paid Subscriber and are not receiving the full benefits of a paid subscription, **so to subscribe today, simply go to www.clubinsideronline.com/subscribe. TRUST ME** when I tell you that you'll

be **GLAD YOU DID!** Now, folks, I hope you enjoy this special edition of **Club Insider!**

■ **CONGRATULATIONS** to the **Philadelphia Eagles** and to all **Eagles Fans everywhere!** To me, that was one of the very **BEST Super Bowls in history**. I feel pretty well qualified to say that because I've seen all 52 of them. And, sadly, I can definitely say that **Atlanta Falcons Fans around here may NEVER get over the total shock all of us experienced during the Super Bowl loss to the Patriots last year after blowing a 28 to 3 lead!** If the NFL will wake up and produce a rule prohibiting players from taking a knee during the playing of our **National Anthem**, they might have a chance of turning around the rapidly dropping game attendance and TV viewership they experienced in 2017 and 2018. **Stay Tuned!**

■ **JUSTIN** and I want to say **THANK YOU** for reading **Club Insider!**

■ **God bless our troops, airmen and sailors worldwide and keep them safe.** Thank you, **Congratulations and Welcome Home** to all of our troops who've served in **Iraq, Afghanistan and around the world.** **God bless America's Policemen and Women and keep them safe.** **God bless you, your family and your club(s).** **God Bless America!**

(Norm Cates, Jr. is a 40+ year veteran of the health, racquet and sportsclub industry. Cates is the Founder and Publisher of Club Insider, now in its 25th year of publication. Cates can be reached by phone at 770-635-7578 or email at Norm@clubinsideronline.com)

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...Workout Anytime

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after the principals of the company, **Steve Strickland** and **John Quattrocchi** (more commonly referred to and called "John Q." by all), decided to take their 9-location Workout Anytime group of Atlanta-area clubs into the world of franchising. Together, Strickland and John Q. created an organization that, from the viewpoint of this 43-year health and fitness club business veteran, is *admirable and trustworthy*. In 2015, to lead Workout Anytime's future growth plans, **Mark de Gorter** joined the team. Combined, the three principals of Workout Anytime, Steve, John and Mark have a total of over 100 years of health and fitness club experience that they readily and regularly share with the owners/operators of their 150+ Workout Anytime locations in 19 States.

Take this to the Bank Folks!

Certainly, at this juncture, I believe it's important and appropriate that I point out to you, our readers whom we hold in the highest esteem, should you be in the category of someone who's *in the hunt* for an excellent health club franchise company, when making your contacts while doing your research don't forget that, in addition to Workout Anytime, **Club Insider** also has two of the other leading club franchising organizations in the world as long-time and dedicated advertisers. They are **Planet Fitness**, whose full-page ad appears every month on **Page #2**, and **Crunch Fitness**, whose full-page ad is on **Page #5** every month.

With these three terrific companies as our ONLY advertisers from the club franchising sector, this author rests well every night knowing that you folks who're going the club franchise route simply cannot go wrong should you research and choose to become a franchisee with Planet

Fitness, (See our January, 2008 and May, 2012 Cover Stories), Crunch Fitness (See our July, 2014 Cover Story), or Workout Anytime, whom we've placed squarely in the spotlight this month.

With that being said, you can take this to the bank, folks: **Workout Anytime is going places!** And, they're going places **carefully and thoughtfully!** So, after you read this story and view their **Ad on the Outside Back Page** of this edition of **Club Insider**, and you decide to contact them, I believe you'll be in great hands, just as I believe you will be in great hands were you to contact the fine people at Planet Fitness or Crunch Fitness. Folks, **Club Insider** only accepts advertising from three franchise companies, **the three companies that we view as the best in the marketplace: Planet Fitness, Crunch Fitness and Workout Anytime.**

The Folks at Workout Anytime You Should Know

In the organizational meeting for this cover story, I asked Steve Strickland, John Q. and Mark de Gorter who they would like to be the primary spokesperson for this cover story. Steve and John both said, "Mark." So, it's with excitement that I start this cover story with my interview with **Mark de Gorter, Chief Operating Officer (COO) of Workout Anytime.** Once we hear from Mark, we'll also hear from Steve Strickland, John Q. and the lovely, **Marnie Saylor.**

These three gentlemen are three of the most experienced club owners/operators you will find anywhere. **They are worthy of your TRUST.** Importantly, they've assembled an **amazing Team** to work with all of their franchisees and prospective franchisees. This team includes: **Randy Trotter, SVP of Development; John Carsillo, VP of Construction; Wanda Johnson, VP of Franchise Operations; Dennis Holcom, VP of Franchise**

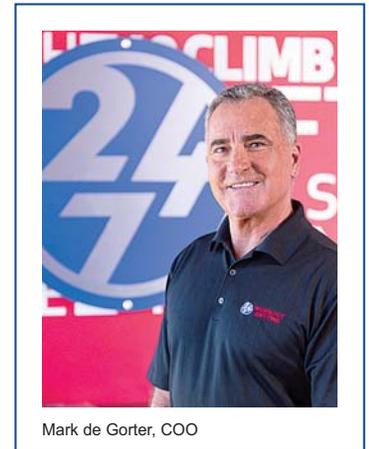
Support, Valorie Guzman, VP of Finance; Greg "Sparky" Maurer, VP of Fitness; Tanya Holyoak, Franchise Operations Coordinator; and Cathi Cooper, who just retired, but she had been there since day one and deserves that recognition. The entire Workout Anytime Team is worthy of your Trust; it's just that simple.

An Interview With Mark de Gorter, Chief Operating Officer (COO), Workout Anytime

Mark de Gorter, COO of Workout Anytime, has a varied career of experience both inside and outside the health and fitness club industry. Out of college, he joined the biggest ad agency in the world at the time, *J. Walter Thompson*, where he worked on the account for *The Health and Fitness Corporation*, which later became *Bally Total Fitness*. Because of his experience on the account, he was actually invited to join the company as the Director of Advertising, and eventually, he became their Director of Marketing as Bally grew in the 1980s. After about nine years, Mark continued his marketing role, becoming Director of Marketing for *LA Gear*. He then moved into the golf industry and then into sports nutrition with *Met-Rx*. For the past 15 years, Mark has held roles in business unit leadership; running a public company in San Diego that was in the sports and entertainment business; then running a franchise organization for a sports performance company called *Velocity Sports Performance* before moving on as President of *Power Plate*. From these experiences, Mark developed a wealth of knowledge that he has now brought to Workout Anytime. Here's what he had to say:

C.I. - When and where did you meet and become involved with Steve Strickland and John Quattrocchi (John Q)?

MdG - I worked with Steve Strickland back when he was running the *Richard Simmons* chain for Bally, and as time passed, Steve and I would stay in touch. Early on, Steve told me about what he was doing with Workout Anytime, and he told me he had a feeling that, at some point, he was going to be coming to me to see if I could help him with the business. However, I was living in California and could not imagine ever leaving. Then, about three years ago, at the Athletic Business Conference, he updated me about Workout Anytime and how he was at the point that he could really use some experienced senior leadership. At that time, he said they had about 70 clubs



Mark de Gorter, COO

and were really poised for growth, but they just needed a little more senior business experience to tighten it up.

I ended up meeting with Steve and John at the following IHRSA Show, and the way they laid out the opportunity was too good for me to pass up. It was an exciting opportunity and certainly one that my background well prepared me for. So, I did what I thought I would never do... We sold our home in California, my wife and I packed our bags and moved to Atlanta in mid-2015, and frankly, we have not looked back.

C.I. - Please state your official title and describe your role in the Workout Anytime organization.

MdG - I'm the company's Chief Operating Officer (COO), and in that role, I'm charged with setting the strategic course for the business. What we look at strategically and what areas we want to pursue and focus on. It's a lot of connecting the dots. I lead the cross functional departments in franchise development, marketing, franchise support, operations and training education to be sure the business is growing and growing at a good rate, a controlled and profitable rate. I'm not the person who does what Steve and John did. I'm not the guy to come in and start a health club company and go from 1 to 50. I do believe, however, that I can help them go from 50 locations to wherever it is we want to go beyond that because of my background and training in running businesses. That's really the way that John, Steve and I work. The day-to-day stuff falls on my shoulders. The strategic stuff falls on my shoulders, and we drive the business that way.

C.I. - Please tell us the who, what, when, (See *Workout Anytime* Page 12)



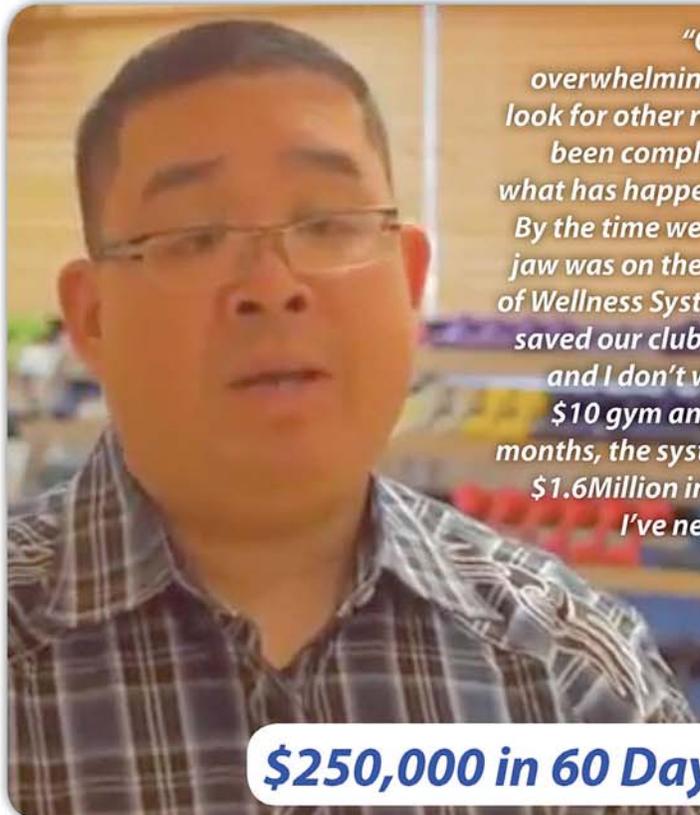
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-Aaron Stafford
Longview, TX

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...Workout Anytime

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where, why and how of the organization.

MdG - We try to run things like a public company, and that's really a function of my experience. We don't want to lose the entrepreneurial spirit that Steve and John created. In fact, to the contrary, we endeavor to keep that spirit, but at the same time, we know we have to implement systems, processes and testing that are necessary disciplines, along with the financial rigor that's needed to support a network that grows to a 150+ unit level. Most of my changes during the time I have been around implementing a general strategy, system processes, overhauling the marketing and really trying to get us running like a public company, even though we are pleased with the fact that we're not.

C.I. - How many different individuals own Workout Anytime Franchises right now? And, how many franchises do each of those franchisees own? Where are most of your franchisees coming from, and how many states does Workout Anytime have Franchises in?

MdG - We're currently in 19 states. Right now, we have 155 Workout Anytime clubs open, and they are owned by 80 different individuals. Currently, our footprint is primarily in the Southeast. We have almost 40 clubs here in the Atlanta area, and we've grown concentrically into Tennessee, Kentucky, North and South Carolina and Florida. We go as far northeast as Portland, Maine and as far northwest as Portland, Oregon. Recently, we've started to see some really exciting growth in Texas. We didn't have any clubs there a year ago, and now, we've got seven. We're looking at the Texas market as one that's got great potential, along with the Southwest, Pacific Northwest and upper Midwest.

Multiple Reasons Why Workout Anytime is Special

C.I. - Mark, what makes Workout Anytime special? What are the keys to its success?

MdG - There's really three key areas to our success, Norm. First and foremost are our Franchise Partners. *They're a passionate, intelligent and committed group of people who really take a personal interest in the lives and results of their members.* That's our #1 asset.

#2 is our Team here at our Workout Anytime Headquarters. We've got an amazing group of people here, and you know some of them, Norm. From operations to franchise support to marketing and training, they wake up every day with the mindset of providing tremendous service and support to our Franchise Partners. Our Team is a tremendous group of people that I feel privileged to work with side-by-side every single day.

#3 is our systems. We believe the systems that we've developed and implemented really are one of the keys to our success. We like to tell our Franchise Partners that *you are in business FOR yourself* but not *BY yourself*. That's a function not only of the team here, but the systems that we've got in place. One of the things I learned from previously running a franchise company is that any good franchisor needs to do four things really well:

1. Provide a unique product.
2. Develop marketing that is dynamic, authentic and resonates with the prospects and members.
3. Ongoing, multilevel training and education.
4. Finally, provide integrated business systems and ongoing support, which is what I call the 'Connective Tissue' of the organization to provide actionable data and instruction to make really sound decisions.

C.I. - You guys have a tremendous lineup of thoughts that you've just shared with us here! Now, let's move on to the Franchisee qualifications aspect of your business. What qualifications do you folks look for in potential Workout Anytime Franchisees?

MdG - We actually look for our Franchisees from five different groups, but the biggest growth area we've seen lately is fitness. These are guys and gals who are super talented, and they're ready to go off on their own. They've got the experience. They've got the passion. We provide a great option because the cost of entry for our franchise is relatively low compared to the others. So, they don't need to have a lot of capital to get in, and they're bringing a wealth of experience. The good news is that, regardless of where these people are coming from, we have many open territories available because we're really just getting started with our growth. So, chances are, when a potential Franchise Partner calls us, we're able to put them in an area that is desirable for them. But, the common denominator is they all need to have the passion and drive to help their members reach their health and fitness goals, along with a strong bent toward entrepreneurship.

C.I. - Mark, you mentioned that *the price is right* for franchises, so what is the price to become a Workout Anytime Franchisee?

MdG - The cost of the franchise is \$29,500. And, our buildouts range anywhere from \$400,000 to \$800,000, depending on the size and location, of which a good portion is financed. But, that's still low relative to the industry. Going back to one of our strengths, one of the key strengths we provide is the real estate services. We've been very successful in negotiating very good tenant improvement allowances, as well as free-rent terms so that the cost of getting into the facility is certainly reduced. And, by eliminating or certainly reducing those costs, it allows our Franchise Partner to be really successful during the presale period... to start strong and to stay strong. That's one of the unique features we provide, a solid pre-opening program combining our real estate services and our pre-sale marketing programs, to enable our Franchise Partners to get off to a really good start. Statistically, we know that, if they can open their doors with a requisite number of members already enrolled. Chances are they're going to be doing really well a year later.

C.I. - Do you have a member of your Team who focuses on real estate negotiation and development assistance?



Randy Trotter, SVP of Development

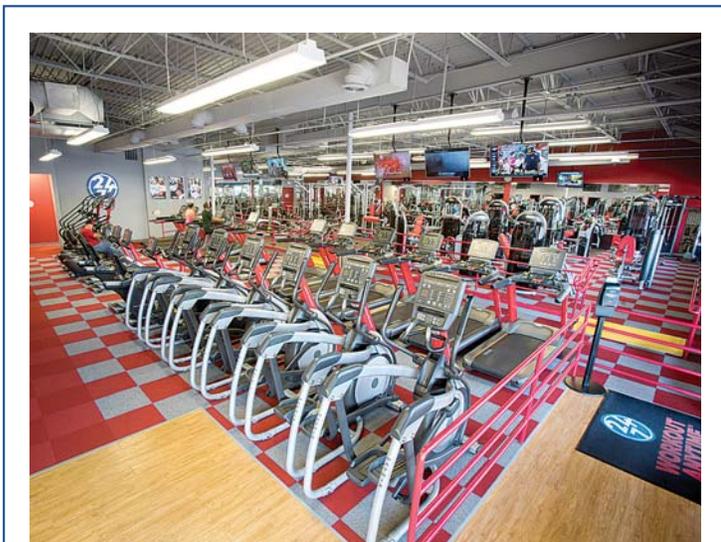
MdG - Yes, we do. **Randy Trotter**, our Senior Vice President of Development, and one of the principals, is in charge of development and franchise sales. And, we work with *Horizon Properties*, which helps us with lease negotiations.

C.I. - What are Workout Anytime's growth plans and vision for the future?

MdG - When I joined the company in 2015, we had about 70 clubs, and we've more than doubled that during that period. In fact, we've increased our footprint by 30 to 40% each of the past three years. *But, honestly Norm, we're not really interested in being the biggest.* There are fine organizations in our segment of the industry that have many more locations than we do. *Our focus is becoming the most admired.* Not necessarily the biggest, but the most admired. By that, I mean becoming a network where our franchisees can achieve their dreams of profitable business ownership; where members are happy, getting results and living more active and healthier lives; and where we're looked at in the community as a business that adds value to the local community.

Right now, we're centered in the Southeast. We've engaged a company to do territory planning for us in 19 states, which by the way, did not include California or New York. Based on their analysis of our core consumer, there are about 925 more locations in those 19 states that could facilitate one of our clubs. So, add that to the 150 we already have, and we have the potential of over 1,000 clubs in just those 19 states. Our growth plan this year is to open about one club a week, and right now, we're actually ahead of that pace.

I think the biggest keys are: *We are profitable. We're debt-free. And, we're* (See *Workout Anytime* Page 14)



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...Workout Anytime

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not private equity-owned, so we can grow at a controlled rate and still effectively support our network. That's not to say that we won't reach out to the capital market at some point; it's likely we'll consider that at the right time. Certainly, we've had interest expressed by private equity, but at this point, we're growing organically. We're pleased with that 40% growth we're experiencing, and we don't see a real need to look beyond that at this time.

If we can continue to deliver a business concept that allows our Franchise Partners to achieve their lifestyle and financial goals through hard work, commitment and passion, we think everything else will follow.

C.I. - What have been some of the most interesting happenings/events at Workout Anytime since you've been on board?

MdG - I think this probably works for all brands in our space, but for us, anyway, is this concept of lifestyle design, meaning health club consumers of today are looking at multiple options. They're not just joining one gym and staying with it. They want variety in what they do, whether it be a full facility like ours, or yoga, Pilates, spinning and the like. Recent research suggests 25% of all members polled were members of more than one club. I think when you're talking about a brand like ours that has a price point below \$30, we're able to fit into that trend because consumers can roll us into their other activities, whether it be yoga, Pilates or spinning and do it in a way that's affordable. We know that a lot of our members are members of another club, and we encourage it. So, I think that's probably one of the biggest areas that we've seen.

I think the other trend that we are seeing, and everybody in the industry is seeing, is the continued popularity with high intensity interval training (HIIT). We're

combining HIIT with small groups in a program called, *MX4*, and we're doing it in a very cost-effective way. Ours is a value model, so we know we can't charge upwards of \$100 for personal training. Instead, we provide that service to our membership through small groups where classes are as low as \$15 or \$20. It's a combination of the 'traditional' health club experience along with this emerging trend of interval training.

An Interview With Steve Strickland, Co-Founder and Chief Executive Officer, Workout Anytime

Steve Strickland has had a full career of experience in the health and fitness club industry that naturally progressed and led him to the founding of Workout Anytime. He started as a sales counselor at the *Cosmopolitan Spa* in Anderson, South Carolina. At the age of 24, he bought his first club in Maryville, Tennessee, a *Nationwide Nautilus Club*. Within the next year, he bought a second location in nearby Athens, Tennessee. This led to his recruitment by *The Health and Tennis Corporation of America*, later bought by *Bally Total Fitness*, which included various stints in the management of multiple clubs in the Atlanta, Chicago, Tulsa and the Dallas areas. In 1991, Steve took a position with *Nautilus* that he says, 'really prepared me for Workout Anytime.' There, he learned how to design, layout and furnish clubs. Finally, in 1995, Steve founded *Commercial Fitness Products, Inc.*, which sold strength, cardio and free weight products, plus fitness specific flooring. From these experiences, it's clear to see Steve Strickland had the tools to create what is now Workout Anytime, and here's what he had to say:

C.I. - How did Workout Anytime come about?

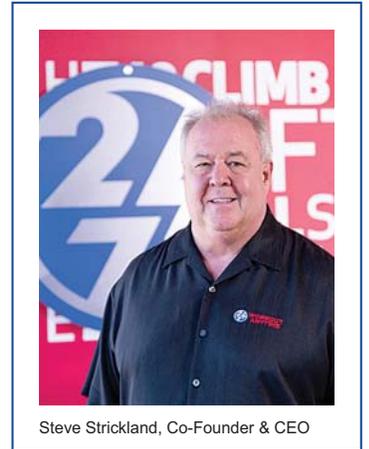
SS - In 1998, I teamed up with John Quattrocchi, and we started Workout

Anytime in 1999. We had a blast. I was living in Columbia, South Carolina, and John came to visit me one day. I told him I had to make a couple of sales calls and asked him to come and ride with me on those. So, he did, and we really just made a good team. There was no recruiting. We just hit it off and made a great team. Here's how Workout Anytime started:

We helped a lady that used to work for John open a ladies' club in Douglasville, Georgia. John had helped her negotiate the lease, and we helped her get it up and running. After about three months, she decided it was a bad location. She backed a truck up to the club, took the equipment and left in the middle of the night, leaving it empty. The landlord, George, called John the next day and said she (I won't mention her name) had left him high and dry. He knew we were thinking about getting back into the business, and the space was available. We felt this would be a good opportunity to have a working showroom for the fitness products and flooring that we sold, and we already had our new club concept and name: *Workout Anytime*.

Prior to our meeting with the landlord, on a cocktail napkin, John had written the terms we would need to take the space. We asked for the moon: several months of free rent, a sizeable tenant buildout allowance and other considerations. We then met with George and presented the napkin with our terms. I remember it like it was yesterday. George looked at us and said, 'Do either one of you guys own a house?' We said, 'Yes.' We shook hands and just like that, we were in business. We had kind of an 'Oh shoot!' moment wondering that, maybe, we had left money on the table. But, there was no turning back. That napkin represented the first official real estate document for the company, and the deal was done when we shook his hand. That's the way John and I worked back then; we didn't need to sign anything at that time.

So, we took that 3,100 square-foot club and converted the group exercise room into a free weight area and the child care room into a men's locker room with showers. We knew what we wanted our Workout Anytime model to be. We had a total of 25 pieces of cardio, a line of circuit strength equipment, a limited free weight area and 24-hour key card access. Our first membership offering was \$24 a month for 24 months, 24 hours a day. We had aspirations of having a successful club, but our first intention was to have a great showroom for us to bring in potential clients to view the fitness products and



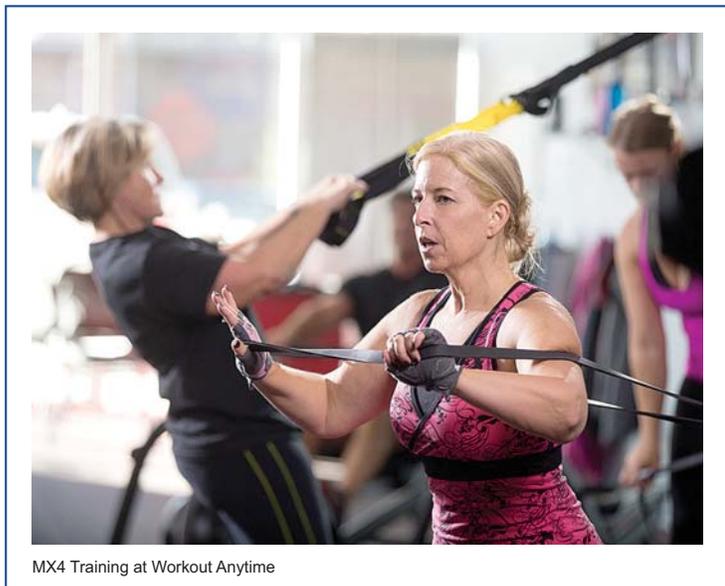
Steve Strickland, Co-Founder & CEO

services that we sold. That said, our Workout Anytime Club just really took off! It exceeded expectations beyond our wildest dreams, and we had them set high. After just ten months, we had over \$800,000 in receivables! We were on our way!

C.I. - Did you have any adjacent space for expansion?

SS - Yes, we were able to add an additional 1,100 square feet after the first year. That club is still there today, and it's still going strong. And, it still has some of the original equipment in it; it's almost like a museum. That's where we started in 1999! The same landlord built another shopping center in Peachtree City and made us an offer that we couldn't refuse for our second club. Then, for our third club was the old American Fitness Center on South Cobb Drive in Marietta, and we downsized that club space and used part of it for our Corporate Office. Later, with the same landlord, we opened our fourth club a little south near Vinings, Georgia.

C.I. - Well, Steve, having myself done a few clubs in shopping centers that were in the 20,000 to 25,000 square-foot range, I must comment that I think your club size model typically being 6,000 to 8,000 square feet max was a real smart move.
SS - Yes, and it's grown to that, Norm. We really started out at 5,000 square feet. I bumped it up to 6,000 square feet, and I always felt like 6,000 was our sweet spot. Then, we started getting real estate deals with more square footage that did not raise the overhead. Right now, we're opening clubs in the 7,000 to 8,000 square-foot range. The whole key is keeping the rent under \$10,000 a month. That's part of the learning process that John and I
(See *Workout Anytime* Page 16)



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have as Franchisors. Now, **we won't let a Franchisee sign a bad real estate deal.**

C.I. - Steve, after having lived in that tough world of paying rent that's too high because the club footprint was too large in the first place, I truly believe that what you guys are doing with respect to keeping your Franchise Partners club footprint size conservative, and in the 7,000 to 8,000 square-foot range, *is the single best thing you guys do for your Club Franchise Partners.*

SS - Thanks. One of the questions you provided prior to us speaking is, 'What makes us different?' Simply this: **our goal is to sell successful franchises. Period!** We'd like to sell a lot of franchises, but *the number of franchises we sell is not as important to us as the quality and success of the franchise that we sell.* And, we know firsthand that, if you don't find the right real estate with the right rent factor, your chances of success are diminished. So, that's the first thing we do.

Let me finish telling you about our early days. We opened our fourth club in Smyrna. Then, we went out to the Cummings, Alpharetta, Hiram and Marietta areas (all Atlanta suburbs). We had the nine clubs that John and I owned, and by that time, I had evolved the model to what I wanted it to be... the color scheme, the layout... all of that. Then, around 2004, I decided to look into franchising. I did some research and learned that, to be successful in franchising, you had to have something that was (1) unique, (2) could be duplicated, and (3) had a proven track record. We had all three with our first nine clubs. They were doing well, and we were making a good living. We had the great showroom for the company I started in 1995, Commercial Fitness Products (CFP), and that is when *Workout Anytime Franchising Systems,*

LLC began. I offered an attorney who was a good friend of mine a small piece of the business to compensate him for his legal work. He prepared our documents. We started with a crazy idea and big dreams. I went out prospecting, and soon thereafter, sold the first Workout Anytime to a local chiropractor.

We built our company one club at a time. I think we did it the right way. We learned as we grew. We didn't want to grow too fast. We made every mistake you could possibly make, and I think we did a really good job learning from our mistakes. And, today, as we stand, we have 155 clubs. We should go over 200 clubs by the end of the year. I touched on your question, 'What makes our franchise different?' Let me complete it by saying:

It's really simple... it's a couple of things. The **first** is our commitment to the success of our franchisees. Again, we're not in business to sell a lot of franchises. We are in business to sell and develop successful franchises. That's what drives us, and that's the reason we do what we do. You can't realize your dreams unless you help other people realize their dreams, too. We really stand by that. The **second** thing that really makes us different is our Franchise Partners. We've picked and chosen good Franchise Partners. They bought into our system, and they are largely responsible for our growth. I feel like we're doing things the right way. We're teaching them the right way, and they are executing what we are teaching. Next, is the fantastic support group of people we have working here in our Alpharetta, Georgia office. Mark de Gorter's deciding to come on board was big for us. Mark was our missing piece. John and I knew that, at some point, we would need someone with a different skillset to help us take the company to the next level. Mark and I worked together back in our Bally days, we knew each other well and we picked up where we left off. We have what I call a complementary

skillset that works extremely well. Add to that, I believe we have, pound for pound, person for person, the best support team in our industry.

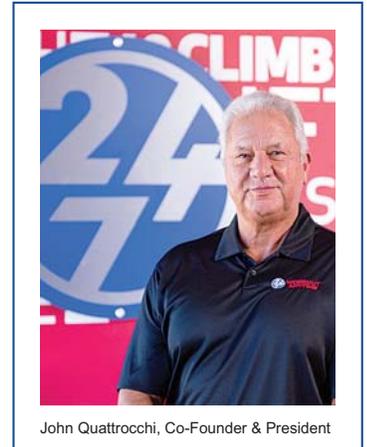
C.I. - Your excellent website (**workoutanytime.com**), states your company **Mission** as follows: "Our Mission is simple: to provide the most convenient, first class fitness experience, open every hour of every day, with the best equipment, superior service and cleanliness, in a neighborhood atmosphere where everyone knows your name. At the same time, create a unique business opportunity for our Franchise Partners that allows them to achieve their lifestyle and financial goals through hard work, commitment and passion." Please comment on that.

SS - Our Mission is to help people understand the true value of entrepreneurship and to experience that in a successful manner. Our model was built for profit. Our commitment is to the profitability of these clubs and these owners. When anyone buys a franchise, they are making a life-changing decision. Buying a franchise, any franchise for anyone, is a life changing event. We want to make sure that, when they make the decision to buy a Workout Anytime Franchise, that decision was the best decision that they have ever made. That, to me, is what sets us apart.

Now, to close this conversation, I want to read an email that I recently received from **Bill Cesak**, one of our Franchise Partners, and I think this says it all. Bill wrote on **Saturday, January 20th**, and it is addressed to John Q and me:

'Good Morning Gentlemen, I wanted to take a moment to thank you both for the opportunity you've given me to own and run gyms. You may or may not know that my plan to use Workout Anytime as an exit strategy from a corporate job which I grew to hate has in fact taken place. I formally retired in September after 36 years managing a printing company. I start every day excited to come to the gym to strategize on growth, greet members, clean and work out. I love working with my son, Brett. We challenge each other daily. The results speak for themselves. I enjoy all aspects of my day and am thrilled to be part of the Workout Anytime Family. Thanks to both of you guys. - Bill.'

Now, that's why we do what we do. John and I get emails like that from time to time, and those really drive us.



John Quattrocchi, Co-Founder & President

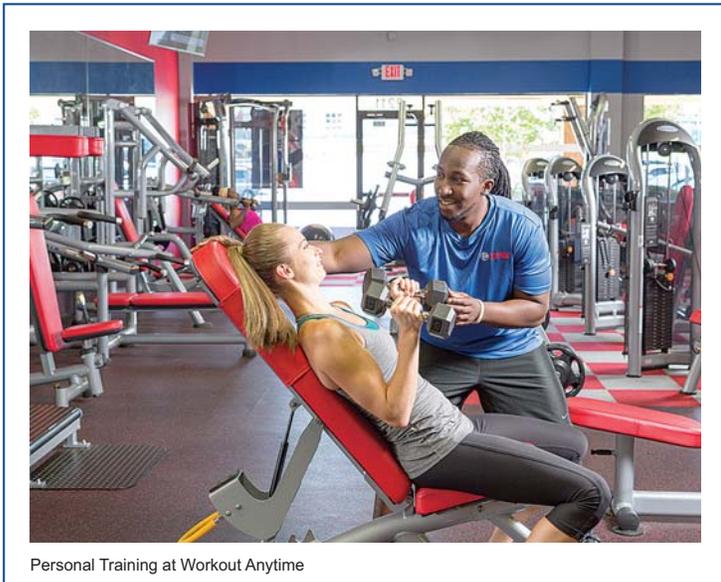
An Interview With John Quattrocchi, Co-Founder and President, Workout Anytime

The third person from Workout Anytime that we're going to hear from today is John Quattrocchi, better known as John Q. John is a long-time veteran of the health and fitness club industry, and as you can tell from Steve's comments, John is a long-time friend and partner. Here's what John had to say:

Club Insider (C.I.) - When and how did you become involved in the health and fitness club industry?
John Quattrocchi (JQ) - When I moved to Atlanta, my best friend from the Air Force was at Warner Robins, and I moved in with him. I had two backgrounds: electronics from the Air Force and physical education from Penn State. So, I really took a job at Delta. I started as a \$2 an hour instructor at a European Health Spa in Forest Park, Georgia. That's where it began, and I fell in love with our industry. I had a great manager who taught me to constantly educate myself in and out of the industry, so I thought I had more potential than being a radar troop for Delta Air Lines.

C.I. - When and where did you meet Steve Strickland, and when did you guys first become business partners?

JQ - I was with *American Fitness Centers*, Steve was with *Richard Simmons* and we met because we had the same guy doing our billing collections. That was 1985. Fast forward to 1998. We took the plunge and registered the name Workout Anytime, and we built the first Workout Anytime club in Douglasville, GA in 1999. It was a fitness
(See *Workout Anytime* Page 18)



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Max & Kelly Gellert - Owners, Blush Fitness, KS



"Because we are a large multi-purpose club we needed a training program that required buy-in from all departments. We implemented PFP last year and it is all coming together as we generated over \$175,000 in PT sales in just the past 60 days! The performance reporting takes the guess work out of everything and holds everyone accountable. The in-club training and support has also been invaluable!"

Stephanie Bearse - Fitness Director, Latitude Sports Club Salisbury, MA



"The entire team trusts and follows the process because it works. We have been utilizing this program for 17 years and last year surpassed 2.4 million in 1 to 1 sales. It was our best year ever and I highly recommend this program to any membership based club. The program is easy to follow, the margins are great and the entire team makes more money!"

Jen Poljacik - CEO, River Valley Club, NH



"We are a brand new 34,000 sq ft wellness facility with a focus on healthy lifestyles. We wanted to differentiate ourselves by offering a results based program and we opened last month with 500 pre-opening members. We started performing assessments before we opened and generated \$61,500 in PT in our first 30 days. The onsite training helped in many ways and we are thrilled we went with the Pro Fitness Program!"

Elissa Knolla - Fitness Director, Opti-Life, KS

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...Workout Anytime

continued from page 16

equipment showroom (laughing)!

C.I. - John, you've been in our industry quite a while. How has it changed over the years, and how has it stayed the same?

JQ - Through the years, the biggest thing I've seen is related to contracts. In the old days, we sold memberships on contracts where we locked people into those contracts, and that was never a real plus side of the business. The evolution really came with you guys, I think Norm, when you started at CourtSouth. I don't know whether you did month-to-month or not, but we looked at that. We started Workout Anytime at \$24 a month for 24 months, and after a year or two, we saw the industry going month-to-month for a lesser amount. So, we bit the bullet, and we let all our members actually reduce the price of their membership. That was a hard bullet to bite, but it was the right thing to do. Of course, the equipment continues to evolve, but one thing that doesn't change is that people want results. People want to be recognized. They want to be treated like a person. What we try to do, and part of the manual I wrote is that our clubs are supposed to be like 'Cheers,' where everybody knows your name. That's not easy to do, but it's on the forefront of what we try to do.

To be honest with you, in my head, we aspire to be the 'Chick-fil-a,' of the fitness business. Talk about an admired company; look at that one! Talk about customer service and being positive in all cases, look at Chick-fil-a. We've tried to keep up and change with the times. The evolution came. ABC Financial is a great partner for us. Matrix Fitness has been a great partner. We started with them; they've gotten better and better, and so have we. We have 155 locations now, and from my standpoint, we're a 47-year overnight success.

C.I. - John, when did you start Workout Anytime? How has your company changed or evolved since you started it?

JQ - 1999. The biggest change was to franchise. I was a club operator. It was Steve's idea to franchise. We felt that, because both of us had a lot of years of experience, we could teach people this business. Steve and I were selling equipment to people to a club in Dublin, Georgia. So, the first question I'd ask people when I was selling equipment to them was, 'Who's going to sell your memberships?' Inevitably, they would say, 'We don't know yet.' They had no plan for operations in most cases. So, Steve and I put together a combination of Bally's, American Fitness Centers, European Health Spas and common sense, and we're trying to teach people the business. It's worked out pretty good for us.

C.I. - You, Steve Strickland and Mark de Gorter seem to have a terrific team put together. The other day when I asked whom you all wanted to be the 'Spokesperson' for this cover story, and both you and Steve said 'Mark' without hesitation. Where did you and Steve meet, or discover, Mark de Gorter?

JQ - Steve discovered Mark years ago when Mark was with J. Walter Thompson Agency and handled the Bally advertising account. They became fast friends. Later, they were in each other's weddings. So, we'd go to the IHRSA Shows and I'd see Mark. Steve told me that Mark had an extremely high marketing I.Q., and he knew a lot of branding. And, he has great common sense, I might add. We have great synergy. It's a partnership. There's the three of us and Randy Trotter.

C.I. - Let's talk about another important member of your Team, Marnie Saylor. Marnie's a real talent! Where did you guys find her?

JQ - Marnie formerly worked for ABC

Financial, as did Dennis Holcom. So, right off the bat, she had extreme knowledge of our systems. But, her forte was really with her and Mark handling all of the branding and advertising. We have an All-Star Team, and she's one of the Aces!

C.I. - Please tell us about your **MX4 Small Group Training Program**?

JQ - You mentioned differences. Matrix has come up with MX4, and the best part of that program is every workout is different every day. The advent of having 5 - 10 people in a class is exciting, and it seems to be what's happening now. We have the space and equipment to do it, so we're really excited about small group training. It's been asked for over a period of time. We do some personal training, but small group training is more affordable. We are the value-priced health club, and we want to be the value-priced personal training outfit if we can be.

C.I. - I have only one more question for you, John. Please tell us about the movie *Mother's Day*.

JQ - Sadly, it was Gary Marshall's last film, and it starred Julia Roberts, Jennifer Aniston and Jason Sudeikis. Mark knew some people from the movie industry and put it together. **Jason Sudeikis** plays a *Workout Anytime Franchisee*, and **Jennifer Aniston** plays a *Workout Anytime Member*. It's the classic case of art imitating life. This was totally free for us, but the value of the advertising and PR was terrific.

An Interview With Marnie Saylor, Marketing Manager, Workout Anytime

Our final comments will come from Marnie Saylor, Marketing Manager of Workout Anytime. Here's what she said:

Club Insider (C.I.) - Please describe your job duties as Marketing Manager for Workout Anytime?

Marnie Saylor (MS) - As the Corporate Marketing Manager, I am responsible for the strategic marketing for our brand. I work with several different agencies to make sure that our advertising creative for our Franchise Partners is on point and on brand. I work with the franchisees to make sure all of their marketing questions are answered and making sure they have all of the marketing tools in their hands that they need for their local club marketing. I also connect them with our agencies who fulfill any marketing collateral needs that they want printed and shipped to them to be used for B2B or direct mail. I get a lot of Franchise Partner requests for help on creating billboards, media buys, radio scripts, etc. Also, we make sure that we proof anything that they do on their own to be sure they're within our brand standards because that's very important to us. These folks have bought into a franchise, and being part of a franchise means that we have standards that we need to be sure we're all adhering to. *How the brand*



Marnie Saylor, Marketing Manager

looks is how good the Franchisee will look, so it's always important to be on brand. Our brand standards are set forth in our Branding Guide. Also, I'm currently working with Randy Trotter, our VP of Development, on revamping our franchise development website, improving how we're going to market to that group from a sales standpoint.

C.I. - What's your greatest passion at work?
MS - My passion at work, honestly, is to help others. It's to help with solving problems. When someone needs something, I love to be able to help them. So, it's meeting needs and helping make that emotional connection with people when I help them... that's my passion. I really, really enjoy that.

C.I. - How do you stay abreast of the latest industry trends and outlook?

MS - We look a lot to IHRSA for the trends that are going on in the industry. We also look a lot at our own data that we collect with a couple of our agencies to make sure that our marketing is on point, that their messages are on point and that we're reaching our best prospective members. We know what our demographics are. We know what our best member looks like by using the profiling data that we have. So, we try to make sure we're always talking to that member and that we're making that emotional connection with the member. We make sure that all of our marketing messages every month are aimed at creating that *emotional connection*. Norm, as you know, we know there are many health club options out there for people to choose from. And, we try to differentiate ourselves from all the others by making that emotional connection with them so all of them know that we truly care about our members and that our staff truly cares. We aim to make sure they know we're their neighborhood gym, and we want to create that 'Cheers' environment.

C.I. - Who do you think your Workout Anytime audience is and why?

MS - Our audience is people who want to work out and who want to feel that they're
(See *Workout Anytime* Page 19)

Workout Anytime's 2017 Award Winners

- Heart and Soul Award Winners: JERRY PUGH and DIANNA KAGA;
- Best Social Media: New Clubs Division - WOA Boiling Springs, S.C.;
- Best Social Media: Seasoned Clubs Division - WOA Lenexa, KS;
- Best Social Media: Season Clubs Division - WOA Fern Creek, KY;
- Best Social Media: WOA Indian Trail, N.C.;
- Legacy Award: John and Gena Heifner, WOA Powell, TN;
- Legacy Award: Todd and Virginia Holding, WOA East Lake & Town Center, GA;
- Legacy Awards: Kevin Edmonds, WOA Greensboro, N.C.;
- Most Members: WOA Morgantown, N.C.;
- Most Personal Training Revenue: WOA Naperville, IL;
- Best Presale: WOA Chatsworth, GA;
- Most Total Revenue: WOA Buffalo Grove, IL;
- Franchise of the Year - New Clubs - WOA Boiling Springs, S.C.;
- Franchise of the Year - Seasoned Clubs - WOA Flowery Branch, GA;
- Franchisee of the Year - Cornerstone Fitness of North Carolina, LLC - Chris Grove, Chris Hill and Lawrence Hayes.

...Workout Anytime

continued from page 18

part of something very special. As I said before, that they're part of a 'Cheers' kind of community... we believe they don't want to pay a lot for that, and we agree with them on that, too. I think our members, our audience, are people who want the staff to know who they are. They would also like for our staff to know who their children are.

C.I. - Thanks Marnie, for sending me that disk with the movie *Mother's Day* on it that featured exterior and interior scenes at the Workout Anytime Club in Alpharetta, Georgia. I enjoyed seeing that and want to congratulate all of you on getting that kind of amazing exposure for your organization! That's publicity nobody could afford to buy, and I'm happy it happened for Workout Anytime!

MS - Your welcome, and that was my pleasure.

C.I. - What behind the scenes things do you deal with that help make Workout Anytime a better company for your customers to do business with?

MS - We've got a campaign that we started called my **#24/7 Inspiration**, and it's really important for us to acknowledge how Workout Anytime is a real *inspiration* to our members. So, through Facebook, we ask

people to upload their **#24/7 Inspiration**. Norm, we get the most moving, compelling, humbling and beautiful stories from people. So, every month, we pull out stories and send a personal handwritten note of thanks for who they are and what they do, along with some pretty cool Workout Anytime swag.

Another thing we do that is very special is we support **Lift For The 22**. This is a *nonprofit, 501(c)(3) organization* designed to help veterans. Our partnership with Lift for 22, and Carter Davis, is to be able to give back to veterans who have given and are giving so much to our country. We're very glad to do this. *Lift For The 22 started because of the tragic statistic in America that 22 veterans a day have been committing suicide.* This movement has caught on with our Workout Anytime Franchisees, and we dedicate over 3,300 memberships each year to the partnership. Our primary effort is awarding an annual gym membership to the veteran so that he can maintain his health, and it all started because of that tragic statistic. We engage veterans during their transition from the military to civilian life to try to ensure they stay on the right path of mental and physical health.

The last thing I'd like to add is this: We're always trying to make sure that our prices are fair and make it so that everyone can join. We're always looking at our data

to make sure people are using our clubs. If they're not, why aren't they? And, how can we improve? We are always making sure that our clubs are up to date and in good repair. We have inspection reports to make sure the equipment is in good, working order, that things are warm and nice and our staff is always friendly.

• • •

I want to thank **Mark de Gorter, Steve Strickland, John Quattrocchi and Marnie Saylor** for their time interviewing for this in-depth story on the evolution and success of Workout Anytime. Should you

be in the market for a franchise, you will be in good hands with the great team at Workout Anytime!

(Norm Cates, Jr. is a 40+ year veteran of the health, racquet and sportsclub industry. Cates is the Founder and Publisher of Club Insider, now in its 25th year of publication. Cates was IHRSA's First President, and a Co-Founder with Rick Caro and five others, in 1981. In 2001, IHRSA honored Cates with its DALE DIBBLE Distinguished Service Award, one of its highest honors. In 2017, Cates was honored with Club Industry's Lifetime Achievement Award. Cates can be reached by phone at 770-635-7578 or email at Norm@clubinsideronline.com)

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Locker Room Legal Issues

By: **Paul R. Bedard, Esquire**

Although most people view a locker room as simply an essential health club amenity, various legal issues involving personal privacy, safety and even potentially illegal discrimination originate from locker room usage and related policies. Whether trying to protect members and guests from voyeurism, the theft of personal belongings or to avoid maintaining a locker room usage policy that may be deemed illegally discriminatory, it pays for health club owners and operators to proactively address these issues.

This article is intended for educational purposes only. It is not intended as legal advice. Widely varying laws specific to each jurisdiction prohibit one-size-fits-all recommendations. Please consider these comments as an educational guide to assist you when you consult your own attorney for specific direction.

Illegal Photography or Video Recording

There is no general legal right or justifiable expectation of privacy in public places. However, there are many circumstances in which the law affords a reasonable expectation of privacy. These circumstances include those in which a reasonable person would believe that they could privately undress or when a reasonable person would believe that any individual private area would not be visible to the public, whether in a public or private place. Locker rooms obviously fall beneath this umbrella of legal protection.

In 2004, Congress passed the *Video Voyeurism Protection Act* to help combat the increasing rates of voyeurism largely associated with increased cell phone camera usage. The federal law applies only in federal jurisdictions such as federal buildings, national parks, etc. However, varying state laws now make voyeurism a punishable crime. For example, where I practice law in Connecticut, one is guilty of voyeurism when: "(1) with malice, such person knowingly photographs, films, videotapes or otherwise records the image of another person (A) without the knowledge and consent of such other person, (B) while such other person is not in plain view, and (C) under circumstances where such other person has a reasonable expectation of privacy, or (2) with intent to arouse or satisfy the sexual desire of such person or any other person, such person

knowingly photographs, films, videotapes or otherwise records the image of another person (A) without the knowledge and consent of such other person, (B) while such other person is not in plain view, and (C) under circumstances where such other person has a reasonable expectation of privacy." Connecticut classifies voyeurism as a Class D Felony, punishable by a fine up to \$5,000 and up to 5 years in jail.

Much to the chagrin of those who still feel the need to post shirtless locker room mirror selfies on Facebook and Instagram, many health club operators prohibit all cell phone usage within locker rooms to minimize the potential for voyeurism within their club. Many health clubs also screen guests and potential members to prohibit convicted sex offenders from entering the facility. Policy documentation within the membership agreement, conspicuous locker room signage, regular monitoring and consistent policy enforcement will help maximize the level of personal privacy that all members and guests expect and are entitled to within the locker room. And, being able to point to these policies and procedures will help bolster organizational goodwill should a health club fall victim to an incident of voyeurism and the negative publicity that accompanies it.

Theft of Personal Belongings

Health clubs unfortunately remain a popular target for thieves. And, the primary area of interest for these criminals is, of course, the locker room. Although health club owners and operators are generally not vicariously liable for locker room theft, reasonable steps should be taken to minimize the potential for theft and to ensure that liability is not triggered when theft occurs.

As business invitees, health club members and guests are owed a duty of reasonable care. Therefore, like any other aspect of premises liability, reasonable steps must be taken to safeguard members and guests from theft. Post clearly visible signage indicating to would-be thieves that locker rooms are regularly checked by personnel. Routinely perform a sweep of all locker rooms and look for any suspicious activity. Require that all members swipe their card upon entry into the club and that all guests provide a valid form of identification. Safely hold guest identification while the guest is using the facility and securely archive this information for future reference. Maintain sturdy well-functioning lockers

within locker rooms that can be securely locked without issue. Supplement these lockers with mini lockers within common areas away from locker rooms. Utilize surveillance cameras at entrances, exits and in hallways and common areas. Alert members and guests through signage and the conspicuous placement of the surveillance cameras themselves that these areas are under surveillance.

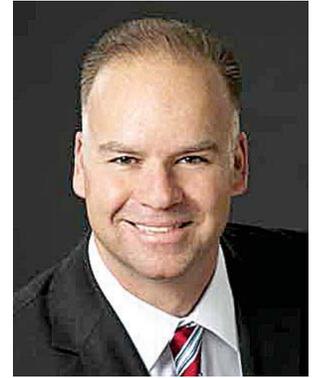
Illegal Gender Identity Discrimination Within the Locker Room

The assignment of locker rooms as it relates to gender identity has become an increasingly complex and murky area of the law. Many state and local governments have passed legislation that provides for non-discrimination in public accommodation when based upon gender identity. And, some courts have ruled in the absence of such legislation that various state and federal laws provide protection from discrimination for transgender people. The law in this regard is very much evolving and currently varies widely across jurisdictions. Therefore, health club owners and operators must understand their applicable law and should seek legal counsel before formulating policies in this regard.

Public opinion as it relates to transgender locker room usage is hotly contested. Those opposed to granting transgender people access to the locker room that corresponds with their gender identity have cited reasons including the creation of a hostile sexual environment, a violation of privacy for non-transgender people and the potential for abuse by those who insincerely declare to be transgender. People in support of transgender policy have argued that laws to the contrary are unfair and discriminatory and that such laws stigmatize transgender individuals.

Many health clubs and other places of public accommodation have chosen to designate single-stall, gender-neutral restrooms to balance the desires of transgender people with the concerns of non-transgender individuals. And, in some jurisdictions, laws have been passed requiring that all single-stall restrooms in places of public accommodation be gender-neutral.

Once any policy is implemented as it relates to transgender locker room usage, employee training is crucial to ensure that managers and frontline employees can consistently address potentially sensitive



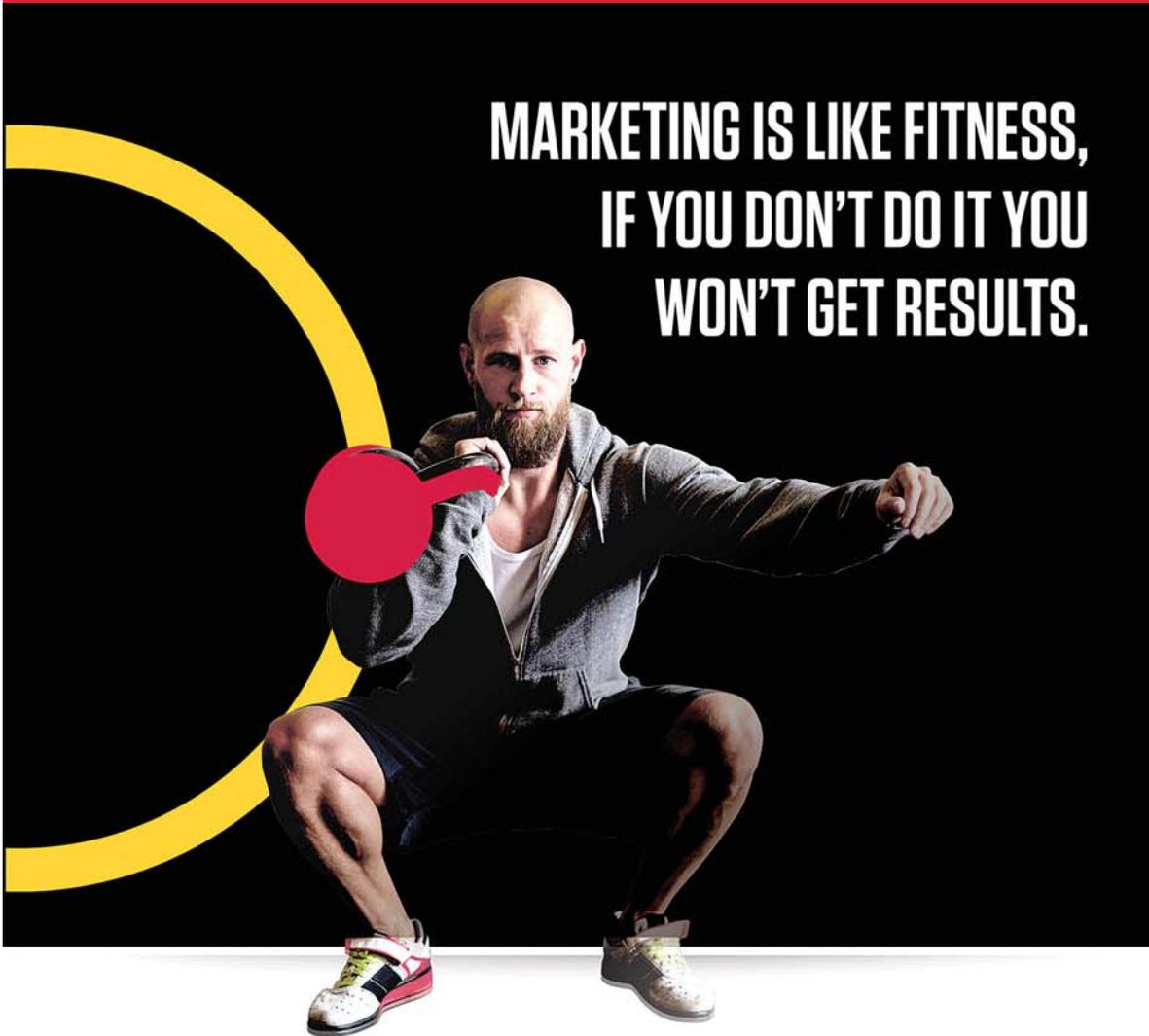
Paul R. Bedard, Esquire

inquires of this nature. You can read more about this area of the law by accessing the **March 2016 Edition** of *Club Insider* and my article titled *Transgender Legal Considerations for Health Club Operators*.

Conclusion

Locker rooms are, in fact, an essential health club amenity. Yet, these spaces are also the source of some very sensitive legal issues. Health club owners and operators owe members and guests a reasonable duty of care. Therefore, reasonable steps must be taken to protect the personal privacy and personal belongings of members and guests within locker rooms while remaining compliant with applicable law as it relates to locker room usage. Like any other potential legal liability, being proactive rather than reactive will significantly reduce potential legal exposure stemming from the locker room.

(Paul R. Bedard, Esquire has nearly twenty years of management, leadership and operations experience in the health and fitness industry. As a practicing attorney, Paul's health and fitness industry experience provides him with a unique perspective when advising health clubs regarding employee training, handbooks, policies, contracts, disputes or premises liability claims. Paul strives to be active in his local community. As part of his private practice, Paul serves as the current Assistant Town Attorney for the Town of Southington. Paul has previously served on the Southington Zoning Board of Appeals and the Board of the Central Connecticut Regional Planning Agency. Paul can be reached at pbedard@smddlaw.com or 860-620-9460, Ext. 109)



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Planet Fitness has over 10.5 million members with clubs located in all 50 states, Puerto Rico, Canada, the Dominican Republic and Panama. Founded in 1992, Planet Fitness is known for the combination of its high-quality fitness experience, affordable prices, and hassle-free, non-intimidating environment known as the Judgement Free Zone.

"We are excited to announce our entrance into Mexico as we continue to extend our footprint and expand our brand internationally," said **Chris Rondeau**, Chief Executive Officer of Planet Fitness. "We continue to see an increasing global enthusiasm for our brand and we look forward to entering this new market and introducing the Santa Catarina community to the Judgement Free Zone."

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Inviting Difficult Conversation

By: **Karen Woodard-Chavez**

Let's start with a moment of truth. When someone says to you, "We need to talk," what is your first response? Is it, "Absolutely, what would you like to discuss," or is it more of, "Uh-oh, what did I do wrong?" with a sinking feeling of dread? Similarly, what is your feeling when you are the person who is saying, "we need

to talk?"

If you're one who's inclined to avoid difficult conversations rather than invite them, I urge you to think about the trade-off. You are trading short term comfort for long term dysfunction. Instead, I encourage you to be brave enough to start a conversation that matters. If you do not, you will constantly repeat what you do not repair.

As managers and leaders, it is important that we become comfortable with and good at inviting difficult conversation with our co-workers, residents, members or guests. The obvious benefits to doing so include getting accurate information, building more functional relationships, working through issues more proficiently and creating authentic connection by building trust. This article will provide a framework as well as verbiage for you to invite and effectively deal with difficult conversations.

A tool that I utilize with clients who want to improve their ability to invite difficult conversation is called **The Moment of Truth Survey**. I have them complete it, email it to me prior to doing training with them and then tabulate the results. The survey is very simple and looks like this:

Please answer the following questions on a scale of 1 - 5 with 1 being lowest and 5 being highest. If you answer with less than a 5, please explain why:

- What is your comfort level in providing feedback to a colleague?
- What is your comfort level in providing feedback to your supervisor?
- What is your comfort level in providing feedback to someone who's **not** your direct report?
- Why I answered with less than a 5.

I receive the responses, and when I'm live with the group, I anonymously share the responses with the entire group in terms of average rating on the 1 - 5 scale for each question and why if any questions were answered with less than a 5.

Some of the actual responses to answering with less than a 5 include:

- Depends on the colleague relationship;
- Unsure how people will respond;
- Leadership team lacks cohesiveness/camaraderie;
- Some a 5, some a 1;
- Not having approval/authority to do so;
- Preparation prior to conversation;
- No accountability so why give feedback when nothing will happen;
- Need to be truthful and constructive;
- Need for comfort in working relationships;
- My opinion does not count;
- Have to be thoughtful;
- Others not understanding managers' true roles;
- Worried about overstepping boundaries;
- Like to solve problems on my own;
- Sometimes difficult talking with co-workers;
- Hate confrontation;
- Tension when stress is involved and when attitude gets involved;
- Sounds better coming from a supervisor;
- Awkwardness; and,



Karen Woodard-Chavez

- Being short staffed causes stress and feeling less open to communication.

Hmmmm, as you read through these actual responses, does it sound like something that could be happening in your organization? You do not know? That is why surveying is **SO valuable**.

Going over the actual comments and results together always creates a fascinating platform for deeper discussion. In these training sessions, I have the large group break up into small groups of 3 - 5 and take 15 minutes to do the following exercise together:

Please appoint a scribe and a spokesperson for your group and discuss the following:

1. What are we good at with inviting difficult conversations?
2. What do we need to work on to be better at inviting difficult conversations?
3. How can we make difficult conversations easier to deliver and receive?

After 15 minutes, each group shares their findings with the larger group. This exercise reveals incredible insight into what and how to become better at inviting difficult conversation.

Additionally, I have found that practice and preparation are keys to being good, being comfortable and being effective with difficult conversations. Being prepared requires introspection so you do not end up blurting out something that could be destructive rather than constructive or hurtful rather than helpful. The following eight points of *introspection prior to the actual conversation* will prevent you from seeming unprofessional when in the conversation:

1. **What is the purpose for this conversation?** Articulate the following: Why you are having the conversation, (See **Karen Woodard-Chavez Page 23**)



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...Karen Woodard-Chavez

continued from page 22

what your motivation is for having the conversation and what outcome you would like to see from the conversation.

2. What assumptions have you made about the other person? We all make assumptions as part of human nature. BUT, more often than not, they are not accurate. With that in mind, you may be operating with erroneous thoughts or information if you are not clear about your assumptions.

3. What buttons of yours are being pushed? There are often emotional responses that occur with us based on the behavior of another. Identify what yours are so you do not bring them into the conversation.

4. Who is the "opponent?" The word opponent is not used in an adversarial tone. It is simply the person you need to have the conversation with. What do you know about them personally, outside of work, or their family situation that may be a piece of the puzzle or solution?

5. How is your attitude toward the conversation influencing your perception of it? If you are feeling anxious, negative or intimidated by the conversation, these feelings *will* affect the outcome. Make sure you are looking at the conversation as a way to learn more about an issue and an

opportunity to problem solve.

6. What are your fears in this conversation? If you are concerned that the person will yell, cry, be angry or stonewall you, then you will need to be prepared for any outcome. Practice, practice, practice for all outcomes and how you will handle them. By doing so, you will be able to handle the scenarios that you are most concerned about.

7. Have you contributed to this problem? This is a HUGE point of introspection. Examine how your behavior or communication you may or may not have had with this person has perhaps led to this point. Be objective. If you come up with something, acknowledge it to that person when you have your conversation.

8. Are you ready emotionally and with an open mind to have this conversation? After you have been introspective and have practiced all scenarios, make sure you do not have any anger, fear or judgment. If you do, it's not a good idea to have the conversation until you can be objective. This is not a "get out of jail free" card. You still need to have the conversation. Take ownership and be in the right place to have the conversation.

Once you have been able to articulate the answers to these questions, then it is time to have your conversation. A few helpful reminders to insure successful

conversation outcomes:

1. Inquiry - Be curious, ask questions. The Dali Lama said, "When you talk, you are only repeating what you already know. When you listen, you learn more." Start by asking questions that get a dialogue going. This is not a monologue where you are the only one talking "at" the other person. Have a list of opening questions that will open the conversation. Make sure the questions are open-ended (have to be answered with more than a yes or no) and not close-ended questions (only answered with yes or no).

2. Acknowledgement - Acknowledge what is said to the other person by either repeating so you are clear or summarize what they have said so you both are clear. Statements such as, "I want to make sure I am clear in understanding your thoughts. Are you saying...?" will move you in the right direction.

3. Advocacy - You are there in the conversation to support the success of this person and make sure the relationship stays strong and productive. Therefore, the importance of being emotionally ready for the conversation is critical. Snark, blaming or belittling is not of use in advocacy.

4. Patience - Remember, you have prepared for this conversation. Chances are that the other person has not done as much preparation. Be patient, do not interrupt, do not finish sentences. Give

them time to digest what has been said. You may need to repeat things in different ways, not just louder, and you may need to meet several times. Setting a reasonable deadline for expectations will move you in the right direction.

5. Problem Solving - Above all, go into the conversation with the belief and behavior that this is a problem-solving opportunity, and when the conversation is over, you will have a better understanding of each other and a stronger relationship. In fact, that is good verbiage to start the conversation.

Think about the conversations you need to have with the people in your life. Use the tools in this article, practice them and be brave enough to start a conversation that will matter. You have the opportunity to change your life and the lives of others by becoming good at having difficult conversations rather than avoiding them.

(Karen Woodard-Chavez is President of Premium Performance Training in Boulder, Colorado and Ixtapa, Mexico. Karen has owned 11 different businesses, successfully sold nine of them and continues to operate two. Karen consults with and trains staff throughout the world on sales, complete communication, management and leadership. These services are offered on-site, online and through her books, manuals and DVDs. Karen can be reached at karen@karenwoodard.com or 303-417-0653.)

Eleven Predictions for the Fitness Industry in 2018

Part I

By: Stephen Tharrett & Mark Williamson

On the eve of each New Year, industry experts and fortune tellers hunker down over their computers studying fitness industry benchmarks and trends, along with cultural and socioeconomic happenings to extrapolate pearls of wisdom in order to forecast, or at least predict, what may happen in the New Year. For these

individuals, the goal is to be the voice of the future, an industry prophet of hope and to provide a degree of clarity on what might be expected in the upcoming year, or as T.S. Eliot so eloquently said, "For last year's words belong to last year's language, and next year's words await another voice."

Our goal with this article is to lend an informed and possibly controversial voice for the fitness industry in 2018. We

understand our prophecies are as likely to be right as wrong, and with any luck, they will bring forward insights to help industry professionals map out their expectations and strategies for 2018, including those that, at the moment, are unforeseen. So, it is with humility, and a touch of thoroughly modern intellect, that we offer up our forecast on what the fitness industry might expect, or might not expect, in 2018.

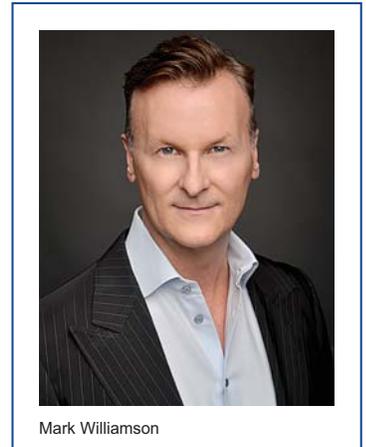
Eleven Predictions for 2018

1. Business Model Migration to the Poles Accelerates. Industry data clearly shows the industry has shifted to a polar structure, where pricing your value proposition in the middle is a form of business purgatory. According to data from IHRSA's 2017 *Health Club Consumer Report*, budget clubs grew by approximately 60% over the past few years, boutiques by over 90% and premium commercial clubs by over 20%, while mid-market commercial clubs and non-profits experienced sluggish to negative growth. The U.S. economy and the global economy are earmarked by their incredible level of income inequality. Consequently, consumers either have a lot to spend or very little to spend, and as is the case in the United States, there are a far larger number of consumers with very little to spend. This polarity does not necessarily speak to a drive for uniqueness or differentiation but more to a "spooked herd response" to avoid business dormancy and to follow the money. The question becomes: *Which path will industry players take?* At the end of 2017, budget clubs and boutique fitness studios were all the rage among investors and operators. These two business models epitomize the shift to either cheap, self-directed fitness or high-touch, affordable luxury fitness. What operators need to ask themselves in 2018 is: *Do I migrate to one of the two poles, or do I stake out an entirely different position?*

2. Cut Rate Clubs Get Cut Throat. As brought forward in Point #1, the budget club, or cut-rate business model, appears to be growing faster than any other, while also experiencing high turnover. In the U.S., there are a host of players, most of whom are franchise-driven and financed by private equity (e.g., Blink, Chuze, Crunch, Fitness Evolution, Planet Fitness and YouFit). In Europe and Latin America, the two largest industry players by club count are budget club operators (Basic Fit in Europe and Smart Fit in Latin America). We postulate the markets can't support the ongoing glut of budget players whose business model is heavily dependent on generating high volume sales to overcome low price points and high customer turnover. Already, we are seeing markets where the consumer



Stephen Tharrett



Mark Williamson

base is not sufficient to support multiple budget players without one or more losing out. We reckon the market response to this will be two-fold.

First will be the inevitable attempt to differentiate by lowering prices (think the \$5 a month club) and using technology to create new self-directed experiences. For example, Planet Fitness is introducing an artificial intelligence platform (AI) it hopes will differentiate its brand, but more than likely, it is intended to remove as much human capital and cost from the equation as possible. According to our 2017 *International Fitness Industry Trend Report - What's All the Rage*, budget clubs lead the industry in the adoption of virtual fitness classes (e.g., Fitness on Demand, Les Mills and Wexer). Second, once the aforementioned steps fail to stem the tide of disruption and extinction, we expect the leading players to consolidate their position by consuming their financially weaker competitors.

3. Mobile Apps become a Requirement. According to our 2017 *International Fitness Industry Trend Report - What's All the Rage* (See *ClubIntel* Page 30)

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“In Touch” With Jeramy Fishel

By: Norm Cates

Jeramy Fishel, Co-Founder of *Instinctive Insights*, was born and raised in tech-heavy Seattle, and he was involved in several startups before relocating and joining a pioneering, data-driven marketing company in Cincinnati, Ohio in 2000. After nearly a decade of impressive growth, he went on to manage global market research studies for dozens of Fortune 500 companies and led an international technical sales team

for Microsoft.

In 2013, Jeramy co-founded Instinctive Insights in Columbus, Ohio. His technical skills, passion, diverse marketing, research and sales experience --the ability to think as both a data scientist and a marketer-- produce unique perspectives and measurable results.

In 2011, Jeramy's first fitness club client was the *Five Seasons Sports Club*. The owner of the Five Seasons Sports Club, **Thomas Deere**, hired Jeramy after he had

presented Deere with the nuances of his data-driven and highly-targeted approach to target marketing. Thomas gave Fishel six months to turn the program around. It took Jeramy less than two months to see positive results, and in that short six months, new membership acquisition was up 25% and cost was down 32%. More than half of all new members were coming from the direct mail program, compared to 41% the year prior.

Fast forwarding a few years, Jeramy commented about these events, "I'm proud to say Thomas Deere still works with Instinctive Insights, and their annual direct mail spend is down 79% and is still a viable, successful marketing tactic."



Jeramy Fishel

Jeramy Fishel
Comments on Instinctive Insights

Club Insider (C.I.) - Jeramy, please tell us about your company, Instinctive Insights, and its unique approach toward what I will dub 'smart marketing.'

Jeramy Fishel (JF) - Marketers love to use buzz words. But, it's the process behind the phrases that ultimately empower a club to be data-driven from an ROI and profit perspective.

When I started doing data-driven marketing, there was little awareness around big data, machine learning and artificial intelligence. Most marketers were unaware of the present and coming storm of data collection and how to harness that to improve campaign results.

We partner with a wide variety of clubs in terms of amenities, services, brand proposition and price point. Each club attracts a slightly or dramatically different type of member or consumer. Persona-driven modeling and design is an important way to take advantage of these nuances. When evaluating a target market, we start by matching a club partner's membership data to our aggregated consumer file, which covers the majority of households in the United States and has 600+ demographic, psychographic and transactional elements to analyze. Our algorithms then analyze all of this data to determine which elements and values, in concert with one another, lead to the greatest market penetration. But, they go a step further by breaking the population into common life-stage groups so we aren't treating every neighbor the same. For example, the models may determine that wealth, home value and home equity are more important than income for a retired, empty-nest senior. Conversely, home value may be less important for a young professional couple without children, while income and occupation type have a strong correlation.

Persona-driven modeling empowers dynamic, persona-driven design. Whether it's direct mail, email or a tiny Facebook ad, clubs get very limited real estate when engaging a prospect. Knowing a bit about a household helps us prioritize how we use that real estate, improving the likelihood an offer or presentation of the club will connect with the recipient. Expanding

on my previous example, we may highlight less-intense activities for an empty-nest senior, and not talk about child-care services. Perhaps, we focus on aquatic therapy, group fitness, tennis, the spa and the social and relaxation aspects of a club. Then, there's no reason to send that same design to a young professional couple. We'd focus on activities that resonate with that group and change the images, verbiage and other aspects to ensure recipients view the club as a place for people like them.

Some clubs are still using one-size-fits-all postcard design and 'carpet bombing' neighborhoods attached to a carrier route defined by the USPS. While that combination results in the lowest possible per-piece price for a campaign, our experience is that it is largely inefficient and results in lower ROI and higher acquisition costs. Clubs that focus on profitability and return on investment are a great fit for our methods, which intentionally target individual households that are likely to be interested in fitness, and the right demographic fit for a club's brand. At least once a year, we test our method against 'carpet bombing,' and this past October, we measured a 300% higher conversion rate with persona-driven modeling and design. We're big believers in statistically vetting our position on a regular basis to prove efficacy.

When I ask club partners to write a brief testimonial, many times they talk about great customer service and attention to project and strategy management. Our club contacts are frequently wearing many different hats, and direct mail, email, Facebook and PPC might not be top of mind. We do a great job of managing the data, creative, execution and results process seamlessly for them. It's our job to take a complex process and make it simple to leverage and measure.



Thanks to Jeramy Fishel for his time sharing information about Instinctive Insights' unique approach to club marketing. Jeramy can be reach at jfishel@instinctiveinsights.com.

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Visual Fitness Planner Accelerates its Growth Plans by Adding Kevin Bryant

FORT WORTH, TX - VFP, the health and fitness industry's leading provider of software technology solutions, is excited to announce Kevin Bryant will be joining the VFP team.

VFP has been hard at work for the last two years developing, refining and testing its new platform and is now ready to introduce the new platform, VFP+, to the industry.

Daron Allen, President & CEO of VFP, said, "We are extremely excited about the addition of Mr. Bryant to our sales/consulting team, and the timing could not be better."

2018 will be a tremendous growth year for VFP, and Mr. Bryant's background and relationships will be a significant key to that growth.

Mr. Bryant is a fitness industry icon who has been involved in every aspect of the industry, as a health club owner, manager and vendor. Mr. Bryant has been part of this industry for over 40 years and has built a reputation as a consummate professional.

Mr. Bryant's role within the



company will be that of a solution guide, working with club owners to find the best technology solutions to increase their facilities' efficiency, productivity and profitability.

"Kevin is a man with the passion to impact the fitness and wellness sectors, and his mission fits ours perfectly," said Daron Allen.

The new VFP+ features a lead generation tool, a digital guest registry, a digital enrollment, a best in class CRM, a membership sales tool, a personal training sales tool, a digital welcome kit and verified fitness challenge platform. The VFP+ platform will seamlessly integrate all the data, reporting and management tools into one central location: the VFP Data Box.

To contact Mr. Bryant or VFP, please visit VFP.US or call (877) 837 - 1212.

Crunch Fitness Appoints Dan Gallagher to Chief Financial Officer

NEW YORK, N.Y. - Crunch Fitness, the health club chain renowned for fusing fitness and entertainment, announced the appointment of **Dan Gallagher** as its new *Chief Financial Officer*. Former CFO of KB US Holdings (Kings Supermarkets and Balducci's Food Lovers Markets) and CFO of Town Sports International Holdings, Inc. (TSI), Gallagher will be an instrumental leader in growing the Crunch brand.

"Dan's knowledge and background in the health and fitness club industry will help lead the company through this important stage in our evolution and will continue to build a strong foundation that will move the business forward," said **Keith Worts**, *CEO of Crunch Fitness*. "His leadership and proven success in finance and accounting makes him the perfect executive to take Crunch to the next level in 2018 and beyond."

"We are very pleased to have Dan join our team as Chief Financial Officer. His arrival comes at an important time for Crunch. As the fastest growing and #1 brand in the HV/LP category, his experience and expertise are a welcomed addition to our team as we look to grow even faster over the coming years," said **Ben Midgley**, *CEO of Crunch Franchising*.



Dan Gallagher

"I couldn't be happier to join the team here at Crunch during this exciting time as we pursue ambitious objectives," said Gallagher of his new position. "My experience gives me the unique ability to help grow the company from multiple perspectives to deliver results. Crunch is a special brand, with something unique and compelling to offer, and I look forward to working with the team."

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Rage, the adoption of mobile apps was second only to social media in respect to industry technology adoption. In 2017, over 30% of fitness operators had implemented a mobile strategy. Despite this record level of adoption and growth, the use of mobile technology is still in an embryonic state compared to other industries such as retail, dining and hospitality. It seems the industry has seen the light; mobile technology is no longer a practice to be considered but a necessity for competing in a mature market where the most influential consumers (Millennials) are digitally and mobile savvy (over 90% shop and purchase via mobile). In 2018, clubs or studios who fail to incorporate mobile applications into their business will find themselves floundering in the wake of more progressive operators.

4. Monetization and Engagement will be

“CRISPRed” into the Industry Genome. Since 1947, when the late Vic Tanny first threatened staff to shoot themselves if they didn't hit their sales quotas, the industry has been all about sales. This cultural gene pervades the industry even today, but in 2017, we began to see more sophisticated and open-minded operators question this fanatical obsession with sales as the DNA of the business. In 2017, we saw more industry articles, webinars and presentations dedicated to retention, engagement and monetization than in previous years. In 2018, we foresee more and more operators shifting to a business model that emphasizes engaging members 24/7, of building trusting relationships with members, of fostering member loyalty and finding ways to monetize engagement and loyalty. This approach to business is eloquently framed by the following quote from Robert Kiyosaki, entrepreneur and author, “Change your focus from making money to serving more people. Serving

more people makes the money come in.” We believe the operators who have already shifted gears and focused on engagement and monetization will see their businesses grow, while those who continue to embrace the sales-first genome will find their membership numbers and profits quickly eroding.

5. Social Fitness will become the Norm.

What do we mean by social fitness? We know from numerous studies, including research by the Gallup organization, that Millennials (90 million plus) prefer to pursue experiences with their friends. Whether it's dining out, going on vacation, participating in a fitness class, signing up for small group training or participating in a Spartan Race, Millennials prefer to do it together. The 2017 *International Fitness Industry Trend Report - What's All the Rage* shows that group activities, such as event-style classes, equipment-based classes, HIIT classes, Barre classes, yoga classes and HIIT small group training, were the fastest growing activities over the past few years, as well as those with the highest adoption rates in 2017. Outside the club arena, participation in adventure races involving a social support dynamic, such as the Battle Frog Races, Tough Mudders, and Reebok Spartan Races have grown,

while participation in more traditional, and less social races, such as 5Ks, 10Ks and marathons, has flattened or declined. It is apparent that activities that speak to the collaborative and collective social mindset of the Millennial Generation are shaping the way individuals pursue fitness, inside and outside the club. In 2018, we believe this phenomenon will grow in influence, and consequently, well-informed operators will leverage the social fitness trend in their value proposition.

• • •

We will be expanding on several of these prognostications in our talk at the 2018 IHRSA International Convention in San Diego in a presentation entitled, “Dawning of a New Era for the Fitness Industry - A Period of Unprecedented Creative Destruction.”

Publishers Note: We will present Part II of this article in our March Edition.

(Steve Tharrett and Mark Williamson are veteran club business executives and Co-Founders of ClubIntel, a consulting firm serving the industry worldwide. Steve can be reached at stevet@clubintel.com and Mark can be reached at markw@club-intel.com)

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Thanks and Appreciation

At Club Insider, we are excited to be in our 25th Year of this home-based health and fitness club trade publication! The thought that this publication was *founded to serve an industry I truly love*, and so that *I could become a Mister Mom for my son, Justin*, is still *intriguing and amazing* to us. I wish to extend our most sincere **Thanks and Appreciation** to everyone that's made this amazing 25-year run possible.

A very sincere **Thanks and Appreciation** go to **Rick Caro, Dr. Gerry Faust** and the **Faust Executive Roundtable #1** for helping me decide in 1993 what my home-based business would be. **Thanks and Appreciation** to my long-time friends, **Ron Hudspeth** and **Cathy Miller** of **Atlanta's Hudspeth Report** for the tremendous assistance they provided us during *our first eight years of publication*. **Thanks and Appreciation** to all of the folks at **Walton Press** in Monroe, Georgia. They've done an absolutely excellent job for us all these years and have printed every one of our 290 monthly editions! **Thanks and Appreciation** to all of our **READERS**. Sincere **Thanks and Appreciation** to our **Club Insider Advertisers**, past and present, for their kind and dedicated support of this publication. It's amazing to know that we have several advertisers with over 15 years of continuous advertising with us. We also want to say sincere **Thanks and Appreciation** to all of our **Club Insider Contributing Authors**, past and present, who've contributed *thousands* of excellent articles to help our readers with their Best Business Practices. **Thanks and Appreciation** to **IHRSA** for all it does.

Sincere **Thanks and Appreciation** to my son, Justin, who started working part-time for **Club Insider** when he was just 8 years old (helping with mailings). This young man, pretty much behind the scenes for 25 years now, has truly been a fantastic partner for his Dad in **Club Insider**. Justin does our editing, publication layouts, all of our website design and maintenance, all of our bookkeeping and subscription processing work, as well as archive management and anything else that needs doing, including writing a majority of our cover stories each year.

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

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

Norm Cates, Jr.

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Mike King, Owner
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