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# THE Club Insider

## NEWS

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

MARCH 2002  
VOLUME 9 NUMBER 3



T C A

# Alan and Steven Schwartz

Tennis Corporation of America's Father and Son Team

# customer service.

*[not lip service]*



**"The RCM product has always been strong, but their support structure is what initially appealed to us and continues to champion our relationship today. The bottom line is that service sells and CheckFree delivered."**

**Tim Harper, IS Director  
Little Rock Athletic Clubs, AR**

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# THE Club Insider

## NEWS

## Alan and Steven Schwartz

### Tennis Corporation of America's Father and Son Team

By Norm Cates, Jr.

You might think that Steven Schwartz would act like a guy with a silver spoon in his mouth, given the status of his father Alan in the world of business and clubs. But, he does not. Steven is a 'down-to-earth' guy who is also CEO of the giant Tennis Corporation of America, a company whose name now only tells a small part of the story.

Talented, creative, dedicated and "down-to-earth" are the best words I can use to

describe Steven Schwartz, the guy now in charge of the 45 clubs that TCA owns and operates. Steven, like his Dad, learned the game of tennis at the early age of 5. When he was 10 years old, his Dad built and opened his first tennis club, the Midtown Tennis Club in Chicago. So, at the young age of 42, Steven Schwartz has been involved in clubs for 32 years, literally growing up in the business. Steven assumed the helm at TCA in 1995 when his Dad began a more intense focus on his very important role at the United States Tennis Association. In January, 2003, if USTA history and past

protocol prevails, Alan G. Schwartz will step from the role of First Vice President of the USTA to President. In that seat he will oversee the entire USTA organization and its \$200+ million annual budget. The USTA is the world's leading tennis organization and produces some of the world's most prominent tennis events including the U.S. Open held in New York each year.

#### Alan G. Schwartz A True Tennis Icon

Alan Schwartz, 70, was born in Manhattan, New

York. His family moved to Chicago in 1944 during World War II. He graduated from Phillips Academy, in Andover, MA, the same school that George Herbert Walker Bush and George W. Bush attended. Alan grew up playing tennis, having been taught the game at age 5 by his father, Kevie. From Andover he went to Yale and graduated with an engineering degree. He then went on to Harvard Business School. While at Andover, Alan Schwartz Captained the tennis team and swam the butterfly event on the swimming team. He tried out unsuccessfully for the 1948

Olympic Swimming Team. He Captained the Yale Tennis Team and also swam on the Yale swimming team.

Alan Schwartz was and remains a real star in the game of tennis as a youth and throughout his life. His dedication to the game of tennis is more than extraordinary. He won 8 different age-bracket National Championships and 7 Illinois State Championships, plus two Gold Medals in the Maccabiah Games in Israel. His last major victory was the 60 and Over Championship in 1992.

(See Alan Schwartz Page 10)

## IHRSA Convention and Trade Show The Best Ever!

By Norm Cates, Jr.

The International Health, Racquet and Sportsclub Association's 21<sup>st</sup> Annual Convention and Trade show was, in the opinion of this writer, the best ever. I've been to all 21 Conventions and Trade Shows since we founded IHRSA 21

years ago and this event was something very special. The show attendance was strong with over 6,000 club professionals from around the globe coming to meet, share, learn and buy products, services and equipment and yes, to party.

Here are a few reasons why I view this as the best ever IHRSA Convention

& Trade Show:

- The combination of the three best ever Keynote Speakers, Gary Heil, Robert Cooper and Dr. Kenneth Cooper. Gary Heil - 'Customers From Hell & What They Can Teach You; Robert Cooper - '21<sup>st</sup> Century Leadership: Excelling Under Pressure While Every-one Else Is Just Competing; and Dr.

Ken Cooper- 'The Role of the Health Club Industry In Addressing America's Health Club Challenges';

- the Civic Phoenix Plaza venue and convenience and outdoor party venue;

- the fabulous Phoenix, Arizona weather;

- over 100 top flight speakers;

- the largest and a world class Trade Show;

- the presentation of IHRSA's Wall of Fame Award to the American Council On Exercise, with Kenny Germano, ACE Executive Director, receiving it on behalf of ACE;

(See IHRSA Convention page 6)

## Branson To Pump \$60 million From Health Clubs Into Virgin Mobile

By Susie Mesure

Sir Richard Branson announced on February 25th that he is selling a majority of Virgin Active, his health club business, to a private equity firm in a deal that values the

business at \$156 million.

The sale to Bridgepoint Capital, which nets Sir Richard \$60 million, is the latest in a string of disposals from the Virgin empire. The group, which started Virgin Active in 1998, said it would pump the proceeds into developing Virgin Mobile, its

mobile telephone business, into a global brand. Bridgepoint, which has a history of investing in the fitness sector, will own 55 per cent of Virgin Active, which it plans to roll out around the world. Virgin will retain 37 per cent of the business while the management, led by Frank Reed, the Chief Executive, will keep 8 per cent. The disposal comes one week after Sir Richard raised \$40 million by selling La Residencia hotel in Majorca and his stake in Le Manoir aux Quat'Saisons, the luxury hotel and Michelin-starred restaurant in Oxfordshire. Sir Richard is

also looking to sell Kensington Roof Gardens, a private nightclub and restaurant in West London, as he switches his attention to luxury resorts.

A spokesman for Virgin denied the sales were part of a cash-raising drive to support the rest of its empire. "Virgin is a \$7 billion venture capital business. The Virgin Active sale was part of the normal strategy of development," he said.

Bridgepoint, which will retain the Virgin brand name, intends to invest a further \$14 million on expanding the health clubs. It

will open three in London later this year, increasing the number of UK sites to 13. It is planning further openings in Europe and is eyeing a site in Italy. The private equity group previously backed Mr Reed and Matthew Bucknall, Virgin Active's Finance Director, in the 1994 \$14 million buyout of LivingWell, the health clubs now owned by Hilton Group.

Most of Virgin Active's 350,000 members are in South Africa, which it entered in January last year with the purchase of the Healthlands chain.

### Inside The Insider

- Dr. Ken Cooper, ACE and Top Fitness Professionals Honored
- Back Care Programs - A Formula For Success
- The Milner Report
- Using Personality Differences To Build Teams That Work

# ●NORM'S NOTES●

•Thanks AUNT MARY For Singing Our National Anthem at IHRSA 2002!

•The IHRSA Board of Directors and JOHN McCARTHY and the entire IHRSA staff deserve major CONGRATULATIONS and THANKS for the once again absolutely terrific IHRSA 2002 Convention and Trade Show! I rate it as the best one ever and I've been to everyone since IHRSA began 21 years ago. But, I've got some good news and some bad news. The good news is that most of the top club owners and operators in the industry were there. The bad news is that there are now 17,807 health, racquet and sportsclubs in the U.S. and not nearly enough of them are members of IHRSA. So, what does that mean to our industry? In my view, it means a lot. The fact that over 14,000 U.S. IHRSA clubs do not see it helpful or worth the small investment required to join IHRSA just boggles my mind. And, those in the industry for the long haul should be concerned about that. If you are trying to operate a commercial health club in this day and time and have not joined IHRSA, did not attend the Phoenix Convention and Trade Show and are not doing proactive things to educate and advance the professionalism of your club's staff, then I can only wish you good luck. The IHRSA club owners and man-

agers in your market have come back from the IHRSA 2002 Phoenix loaded for bear. They have invested the time and money necessary to learn new things, to refine what they already know and to advance their organization through knowledge and education. And, if you are sitting there reading this and your club or gym or fitness center is not involved in IHRSA, don't dismay. You are not a hopeless case. You just urgently need to 'see the light!' See the light, I say! Call Meredith Poppler today at (800) 228-4772 and join IHRSA!

•JOHN McCARTHY, truly amazes me. Not only has he spent 21 years traveling the country on behalf of IHRSA, he still finds time to do important extra things and he is a truly motivating guy. John has just authored a very important book, IHRSA's *Guide to the Health Club Industry for LENDERS & INVESTORS*. This is just one more great example of the important things that IHRSA and John and his team do for the IHRSA members. The book was edited by IHRSA staffers: CATHY MASTERTON McNEIL, WILLIAM C. HOWLAND, JR. and JAY M. ABLONDI.

•LOOKOUT! There is a fellow down South that has launched a couple of new clubs that are very fancy and well equipped, and he is playing hell in the local market with

the use of archaic old "Spa Wars" days health club sales and marketing techniques that date back to the 1950s and 60s. From what I have learned about his operations so far, this guy is a real and true detriment to the health club industry. While at the IHRSA Convention I had the opportunity to speak face to face with this guy and I asked him to sit down with me and the other local operators in his market to discuss the situation. He said he would meet with me, but he flatly REFUSED to meet with the other local operators! One way or the other, I am going to find out WHY he thinks he can just operate anyway he wants, ignoring State laws and any semblance of ethical behavior. I am going to once again, "Tell-It-Like-It-Is" about a club operator that is hurting the industry reputation with his operations. This is a tough job, but SOMEBODY HAS GOT TO DO IT, SO STAY TUNED!

•Congratulations to JACK LALANNE, as he has been named to the Ironman Magazine Hall of Fame. Also, I've learned from Jack and ELAINE LALANNE that next September 26, 2002, Jack's 88<sup>th</sup> Birthday, he will receive a STAR on the famous 'Hollywood Walk of Fame.' The man that most everyone acknowledges is the "Father of Fitness" in America is going strong and looking forward to his 88<sup>th</sup> Birthday!

•Last month I published the Introduction to my book "Leaving Fat City" and a Dedication and Special Thanks about those that had helped me over the years in my battle with my weight. Unfortunately, I failed to mention several people that have truly helped me and I apologize to them profusely. They are my good friends, RICK CARO, RED LERILLE and BOB DELMONTEQUE. Rick Caro and Red Lerille and I have been friends through "thick" and "thin", and they have seen me in every suit size from 42 up to 58, bravely enduring a lot of 'EYE POLLUTION' as my weight has gone up and down like a yo-yo. Red is a 39 year club



*Aunt Mary Ingram*

veteran and owner of the world famous Red Lerille's Health and Racquet Club in Lafayette, Louisiana. Red was Mr. America in the early 19-60s and has always encouraged me through his example. Importantly, not long after I had started my final weight loss quest, Red told me about a book that helped me a lot. The book is entitled: "Eat According To Your Blood Type." Last, but certainly not least, "Coach" Bob Delmonteque, now 83 years of age, but looking like he is 49, has inspired both me and my son Justin over the past 8 years, and we thank him for his encouragement. Thanks will appear in my book when it is finished by August 31, 2002.. In case you missed our 100<sup>th</sup> Issue Special Edition, it is a 'Collector's Edition' and if you mention this NOTE when you send in your subscription, I'll send a copy to you for free! We've begun to sign up clubs that would be interested in Distribution and Sales of my new book, "Leaving Fat City" when it is published this fall. If you would like more info drop an email to: clubinsidernews@mindspring.com or fax to: (770) 933-9698. No obligation required right now. More on this plan later.

•JENNIFER HARDING, the owner of the East Side and West Side Athletic Clubs in Oregon, and TERRI

GILREATH, GM, have led the way toward the defeat of a huge \$100 million dollar bond issue that would have built a tax-free, taxpayer supported mega public recreation center. Terri shared this great news with me at the IHRSA Convention just as I was departing the IHRSA Not-For-Profit Open Forum in Phoenix and she was thrilled that she and Jennifer had been successful in defeating what would have been a disaster for local club owners. Congratulations Jennifer and Terri and everyone else that was involved in this great victory over unfair competition!

•Sincere THANKS and APPRECIATION to everyone at the IHRSA Convention and Trade Show for your kind encouragement and acknowledgment of my "Lifestyle Change!" Right now, I am at about 110 pounds off and will lose 10 more pounds to reach my goal of 120 pounds off! Just in case you missed it, the "Before Norm" put in an appearance at the IHRSA Opening Reception just to 'say goodbye' to his many friends from many years. Great seeing you all! But, as in the past, the show has gotten so big I missed some of you and can only say a happy "HI!" to you today.

•Congratulations to (See Norm's Notes page 5)

Norm Cates' **THE Club Insider**  
NEWS

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**...Norm's Notes**

continued from page 4

**DR. KENNETH COOPER**, the winner of IHRSA'S Person of the Year Award and to **RUDY SMITH**, 51-year club industry veteran who received IHRSA's **DALE DIBBLE Distinguished Service Award** in Phoenix! Dr. Cooper gave one of three really terrific Keynote Speeches. Check out the report on page #8.

•Also, Special Congratulations to **CHRIS BAL-LARD** and the folks at **Fitness Management Magazine** for the really terrific job they did on the **NOVA 7 Awards** in Phoenix. The NOVA 7 Award Winners are shown below. I can only say that this was one of the best additions to the IHRSA Convention in years and was extremely well done! The one and **ONLY Sandy Coffman** was the "Mistress of Ceremonies" for the event and she did one bang up job!

**2002 NOVA 7 AWARD WINNERS**

•**Facility Design, Construction and Decoration-** Christopher Grobbel

•**Exercise Programming-** Akron General Life-styles for Norton Schools Activity Challenge

•**Wellness and Health Promotion -** McLeod Health & Fitness Center for Lose A Ton In 2001

•**Customer Service-** Discover Card Fitness Center For Child Car Seat and Safety Belt Check

•**Websites and New Technology -** The Alaska Club For My TACnet.com

•**Promotions, Sales & Marketing-Houstonian Club For 60+ Member Guest Luncheon Series**

•**Operations and Finance-** Cooper Fitness Center For Personal Training Incentive Plan

• I enjoyed the latest edition of **BRETT FITZGERALD** and **RUDY SMITH'S LVAC Magazine** (Winter 2002 edition). Maybe some of the greatest color you will find in any publication anywhere. Plus, it was great reading about the "Before" and "After" stories of some of the Las Vegas Athletic Club members.

**MIKE TALLA** and **SPORTS CLUBS Company** has raised \$10.5 million in fresh new money!

•**PETER** and **KATHIE DAVIS**, the founders of **IDEA**, have big plans for this summer when they celebrate the **IDEA 20<sup>th</sup> Anniversary** in San Diego. Give **IDEA** a call for information and a copy of the awesome brochure they've produced: (800) 999-4332.

•My friend, **JASON CONVISER, Ph.D.**, of **Bally Total Fitness**, gave me a copy of a new book he, **CEDRIC X. BRYANT, Ph.D.** and **BARRY A. FRANKLIN, Ph.D** co-authored entitled: "Exercise Testing and Program Design" and I want you to know about it. The book forward was written by **ACE Executive Director, KEN GERMANO** and the book was endorsed by the **American Council On Ex-**

**ercise.** The book was published by **Exercise Science Publishers, Monterey, CA.** (888) 229-5745.

•**GALE LANDERS**, the President and CEO of **Chicago's Fitness Formula Clubs**, has announced the acquisition of the **New York Fitness Center** located in one of Chicago's largest condominium developments. That makes 9 clubs for **Fitness Formula.**

•**Life Fitness** has named its **International Distributor Award Winners** and they are: **Distributor of the Year, Life Fitness Australia, Sport Fitness, Mexico and Fitness Total, Denmark.** Gold Award winners were: **Doil International, Korea, Multi-parties, Columbia and Delta Trade, United Arab Emirates.** Silver winners were: **SEARA International, Thailand, International Fitness Equipment, Caribbean and Nordique France, France.** Bronze winners were: **Cardio Fitness, India, Miriam's Gym, Ecuador and Delta Marketing, Saudi Arabia.** Congratulations to all of these folks for this honor!

•Congratulations to **DOUG CASH** who was recently named to be **Tennis Corporation of America's** Chief Operating Officer by **TCA CEO, STEVEN SCHWARTZ.**

•Industry veteran, **TOM MCCARTHY**, has bought long time Wisconsin club operator and former IHRSA Board Member, **CHARLEY SWAYNE's** two clubs in La-crosse, Wisconsin. Good luck to **Charley and Caroline** and to **Tom** as he reenters the industry after a brief sabbatical.

•Great to see the **NBC Nightly News** news piece on **TOM BROKAW'S SHOW** about the movement of us 'older' folks into health, racquet and sportsclubs. This report used IHRSA- provided statistics and was taped for the segment at one of **DON KONZ' Sport and Health Clubs** in Virginia.

•**Bally Total Fitness** continues to produce great financial results under the leadership of **LEE HILLMAN** and his **Executive Management Team!** Even through the 911 debacle, **Bally** revenues con-tinued to rise along with **EBITDA.** Hillman also re-cently announced that two of their **New York City**



(L to R) Justin and Norm Cates

clubs were being converted to **CRUNCH** operations.

•**CASEY CONRAD**, the Founder of **Healthy Inspira-tions** (see ad page #11) tells me that she had over 200 people attend her presentation at IHRSA. I'm telling you folks, check out this **Healthy Inspirations** program for a huge new business opportunity in your club or as a free standing unit.

•Speaking of weight loss, it has been my pleasure getting to know **PAUL GRY-MKOWSKY** and **BRUCE CARTER**, (and the lovely **JOHANNA**) the founders of **GET CYCED** (Condition Yourself Completely Every Day!) They have developed a mentoring program that has really great potential to get those living in "Fat City" up and active. For information call (954) 385-9963.

•**MARK SMITH** and his **TSI Team** continue to grow and boom, even through the 911 mess. Mark tells me **TSI** is now up to 117 locations and that revenue grew 26. % for the year to \$283.3 million!

• **KIM FULLER** and **ROY RASMUSSEN** of the

**Livermore Valley Tennis Club** in California have forced the local hospital club to pay property taxes and not to use tax-exempt bonds to finance the facility. Way to go guys!

•**CheckFree Corp.** has entered into a major alliance with IHRSA. **DICK MITCHELL**, Founder and long-time leader of **RCM Corporation** and **CheckFree Health and Fitness Division** continues to be one of IHRSA's top supporters and the industry should appreciate that!

•**Gold'sGym Intl.** has announced that **LUIS CAMPALANS** has been named the Vice President of **International Financing.**

•**Mad Dogg Athletics (MDA)**, creators of the **Spinning** craze, have announced that they have reached a settlement with **Schwinn Fitness**, owned by **Direct Focus, Inc.** that will allow **Schwinn Fitness** and **MDA** to supply an existing inventory of **Spinning** products, accessories and parts.

•**Miss IHRSA 2002?** Buy tapes of over 100 sessions. (303) 649-1811.

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**...IHRSA  
Convention**

continued from page 3

- presentation of IHRSA's DALE DIBBLE Distinguished Service Award to Rudy Smith;
- the Financial Panel with 3 outside experts, moderated by Rick Caro;
- the Government Relations dinner sponsored by TechnoGym;
- the presentation of IHRSA's Person of the Year Award to Dr. Kenneth Cooper;
- the Global Industry Summit sponsored by Life Fitness and featuring Al Ries with the 10 Essential Steps To Build Your Brand.
- the ACE Awards Presentation for Fitness Direc-

tor of the Year, Group Fitness Instructor of the Year and Personal Trainer of the Year; and

• Fitness Management Magazine's Nova 7 Awards Ceremony

All of the above and much, much more just gives me the feeling that this one was the best IHRSA Convention and Trade Show ever.

**Thanks Aunt Mary!**

Sun City Arizona resident, Mary Ingram, also known as my 'Aunt Mary', helped launch the Convention at the Opening Session by singing the Star Spangled Banner, before a crowd of over 2,500. Her performance immediately followed IHRSA

President, Geoff Dyer's introduction and certificate presentation to a special group of IHRSA leaders representing New York City area clubs. These clubs were recognized for both the time and money they've contributed to helping New Yorkers cope with the 911 disaster and for the losses of life, facilities and business they have toughly endured. It was the recap and vivid reminder of an amazing 2001 for all of us. And, my Aunt Mary gave a truly beautiful and heart warming performance of the National Anthem

while waving a 1776 version of "Old Glory" toward the end of the song. Our special thanks to Aunt Mary and Ms. Pat McDonald who accompanied her on the piano, for a wonderful job well done!

This March post-IHRSA issue contains a number of reports from the Convention and Trade Show, as well as special IHRSA Photos on page #s: 24 and 25.

Just in case you missed the 21<sup>st</sup> IHRSA Convention, over 100 audio tapes were made of many of the educational seminars and they

may be obtained by contacting Great White Productions, Inc. at: 888.827.3487 or 321.722.2642 or going to: www.gwpro.com

And, last but certainly not least, very Special Thanks to the many IHRSA Associate Members who exhibited at the 21<sup>st</sup> Annual IHRSA Trade Show and a special thank you to the companies whose logos appear below for their special investments in sponsorship of the many awards, events and activities.

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# Dr. Ken Cooper, ACE and Top Fitness Professionals Honored At IHRSA

Dr. Kenneth Cooper, likely America's next Surgeon General, was honored as IHRSA's Person of the Year at IHRSA 2002 in Phoenix, Arizona on March 9<sup>th</sup>. Immediately preceding that, ACE (the American Council on Exercise) received the IHRSA Wall of Fame Award. ACE honored top Fitness Professionals at the same General Session.

The American Council on Exercise (ACE), America's Authority on Fitness, announced its 2002 Fitness Professionals of the Year at IHRSA 2002 in Phoenix, AZ. Awards were presented for Personal Trainer of the Year, Group Fitness Instructor of the Year and Fitness Director of the Year to publicly recognize the contribution these professionals have made to the fitness industry.

Top Honors went to Taylor-Kevin Isaacs, M.S., C.P.T., C.S.C.S., Personal Trainer of the Year, Lawrence J. Biscontini, M.A., Group Fitness Instructor of the Year and Anne Wilkinson, M.Ed., Fitness Director of the Year. Each winner received a \$2,500 scholarship toward continuing education in the fitness industry.

"To work to one's fullest ability, industriousness is essential, even more so on days when inspiration seems to

be in short supply," said Isaacs, the 2002 ACE Personal Trainer of the Year. "When enthusiasm and industriousness are combined, a force of almost unimaginable power is created."

Isaacs is a clinical exercise physiologist and instructor of Kinesiology at California State University, Northridge. He teaches therapeutic exercise for special populations and trains clients 54 hours a week, both privately and at the University's Center of Achievement for the Physically Disabled.

"I try never to forget the macro-purpose of using equipment, of group exercise and of personal training, which is to increase the overall quality of people's lives," said Biscontini, the 2002 ACE Group Fitness Instructor of the Year. "When we forget that and get bogged down in the small stuff, we lose sight of the important purpose of fitness."

Biscontini is the Group Exercise Manager at the Golden Door Spa at Las Casitas Village in Fajardo, Puerto Rico and spends several weeks a year traveling to conduct workshops, master classes and lectures for fitness professionals.

Maintaining a schedule of 32 classes per week, he teaches step, yoga, hi-lo, interval, circuit, spinning, aquatic dance, stability ball, tai chi and

Pilates as well as hybrid classes of his own creation called Yo-Chi(r).

A high school and college athlete, Anne Wilkinson, 2002 ACE Fitness Director of the Year, is the Assistant Director for fitness at Temple University Recreation Services in Philadelphia, Pa. Wilkinson manages the Independence Blue Cross Student Recreation Center and employs 50 student staff, 24 group fitness leaders, two graduate assistants and an intern at the 58,000-square-foot facility, which caters to Temple's students, administrators, employees and alumni.

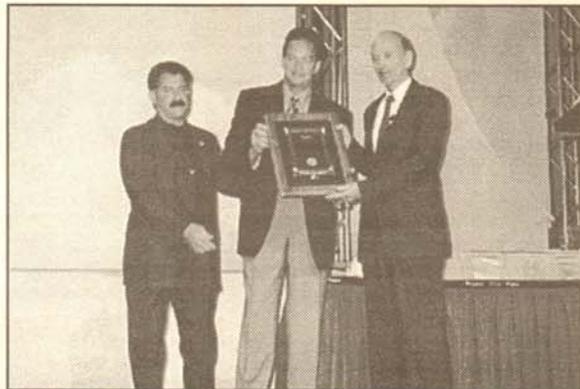
"My staff, and the excitement I feel for my field, keep me motivated. My participants, too. I feed off of their motivation and helping them make good lifestyle changes," said Wilkinson.

The ACE Fitness Professional of the Year Awards were created in 1999. ACE honors fitness professionals that have excelled in the areas of client development, training techniques, successful marketing and revenue generation.

## ACE Honored With IHRSA's Wall of Fame Award

Kenny Germano, ACE Executive Director, received IHRSA's Wall of Fame Award on behalf of ACE. The Wall of Fame Award is a permanent and ongoing tribute to those IHRSA Associate Members whose contributions to the health and fitness industry stand above all others.

Also, All About Fitness, an all day track on Saturday, March 9 sponsored by ACE, featured Dr. Kenneth H. Cooper M.D. M.P.H., the father of aerobics and founder of the Cooper Aerobics Center who presented "The Role of the Health Care Industry in Addressing America's Health Care Challenges." Dr. Cooper has been President Bush's personal physician for the past 12 years. Recognized through his writings and research as the leader in the international physical fitness movement, Dr. Cooper has been credited with



(L to R) Ken Germano, Geoff Dyer & Dr. Ken Cooper



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(L to R) Anne Wilkinson, Taylor-Kevin Isaacs, Lawrence Biscontini, Ken Germano, Ricardo Losappio & Jim McPartland

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

## ...Alan Schwartz

continued from page 3

Last summer Alan and his partner, Patricia Freebody, reached the finals in the Senior Mixed Doubles National Championships.

### The Father and Son Championship

One of the most special tennis wins for Alan Schwartz was when he teamed with his son, Steven, to win the 1974 Chicago Father and Son Championship. This was Alan's second Father and Son Championship, as he and his Dad, Kevie, had won it previously in 1955!

### Short Lived Engineer

Upon graduation from Harvard Business School Alan joined his Dad where he worked in the chromium plating business as a chemical engineer. He left his work as an engineer forever after just one year, conclusively finding that he had no interest in a career in engineering. Alan Schwartz recalls how he studied engineering at Yale in the first place. "My Dad was a tough task master and introduced a lot of discipline to me. In fact, when I went to Yale he insisted that I get an engineering degree because that was the only discipline at Yale that took attendance! That's how I became an engineer. My Dad wasn't going to pay for it unless he knew I would be attending. He figured I might not show up unless they were taking attendance!"

### Tennis Industry Involvement Begins

Although he had been playing tennis since he was a child, Alan Schwartz first became involved in the tennis industry as a business in 1955 when he joined the Board of Directors of the Edgewater Beach Tennis Club. Edgewater Beach was an outdoor tennis club in the North Lakeshore area of Chicago. Bobby Riggs was the pro there, but was leaving. So Alan recruited and arranged to have a tennis pro named George Lott to replace Riggs. Schwartz recalls, "We only had outdoor tennis at the

time. The only indoor tennis was played at the Armory where you played on the wood floor under incandescent lights hanging from the ceiling and military Jeeps parked in the corners of the building. We'd have to crawl under the Jeeps when the balls would go there. My first Indoor National Championship was in 1944 at the 7<sup>th</sup> Regiment Armory in Brooklyn, N.Y., where we also chased balls under the Jeeps! Reflecting back, I can certainly say that during those days the development of an indoor tennis club did enter my mind. But, it wasn't until 14 years later, 1969, that our first club, the Mid-Town Tennis Club, actually became a reality."

### How The Tennis Corporation of America Began

In 1965 the City of Chicago put a piece of land up for sale, suggesting that it be used for commercial recreation. There were half a dozen bidders and Alan Schwartz had bid to build an indoor tennis facility with a swimming pool and underground parking. It looked like Schwartz was on his way when his bid won the highest price offer, the architectural award and the best 'social service award' amongst all bidders. However, as always, fate played a part in all this. Those were very tumultuous times and at the last minute, before the bid winner was announced, a group of 'Spanish Lords' came to the property in protest and set up a tent city on the property. They sought housing for the Hispanic community and not 'tennis for the rich.' That process took a year and a half. Plus, the City of Chicago took another year and a half trying, unsuccessfully, to get the tent city moved. By then it was 1969, so Alan just said, "To hell with it!" and found another piece of land for his first club.

### An Interview With Alan and Steven Schwartz

**Q.** "Alan, what was your earliest vision for the Tennis Corporation of America?"

**A.** It was very simple. It was to be a part-time job as I would stay with my real estate busi-

ness. It would be combining a vocation with an avocation. I decided that the vision was to go to four cities: Chicago, Toronto, Rochester and Kansas City. These were cities with bad weather, some affluence and no indoor tennis facilities. It turns out I ended up in all three U.S. cities, but not in Toronto. My vision for TCA was not as grand as it has turned out to be. It was simply to have clubs in those four cities and keep it part time.

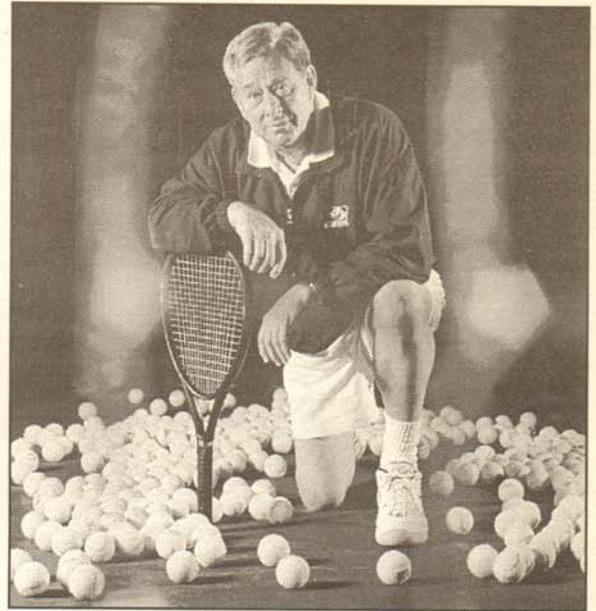
**Q.** Alan, how did you go about selecting those particular cities?"

**A.** I wanted a city that was sufficiently far north that we'd have at least a 7- month, preferably 8 or 9- month indoor tennis season. So, that immediately put you no further south than St. Louis or Kansas City. Secondly, we wanted a city that has a known tennis interest and history over a long period of time. Kansas City had that with the 'Heart of America' tournaments. I'd played there, I knew of that interest and I knew many of the top local players. Rochester had a great deal of affluence and it was not far from the snow belt. The market was loaded with white collar people from Xerox, Kodak and Bausch & Lomb. Toronto had the same kind of climate as Buffalo and Rochester and considerable affluence. All of our cities were active tennis communities and they seemed like very natural cities to go with our hometown of Chicago. It was a question of demographics, a question of weather and a question of having an existing tennis nucleus."

Steven Schwartz adds, "Also, my grandmother grew up in Rochester, so we had family ties and friends there, so Rochester worked out well for us.

**Q.** Alan, could you give me a decade-by-decade history of TCA?"

**A.** The 1970s was a decade of primarily tennis and secondarily of racquetball. In the eighties fitness became a big part of the business, and we developed prototype clubs and ran them for Hyatt in the Pacific Rim in Australia. We also developed prototypical facilities for Hilton. That carried over into the nineties when we designed, built and



Alan Schwartz

ran facilities for a number of major corporations. And, we still do."

### Not Just 'Tennis-Only' Anymore

Steven- "In the nineties we added corporate fitness and hospital wellness, but the nineties really gave us a chance to focus on the kind of products we offer now. Right now, we have only six indoor tennis only clubs out of a total of 45 facilities. Everything else is what we call multi-rec. Even our typical TCA corporate fitness centers look much more like a multi-rec club. They are much larger in scale, and they have basketball, racquetball and swimming pools. Our corporate fitness centers tend to be for large prestigious companies like McDonalds, General Motors, the Travelers Insurance Companies and Kraft Foods and Computer Discount Warehouse. Although corporate fitness is not our core business, each one of those companies continues and has a specific and cultural reason for their fitness center that fits very much into our enhanced programming model.

### The Son Takes The Helm

**Q.** Alan, when did you turn over your day-to-day operations to Steven?"

**A.** That was in 1995. We've been partners here for 15 years. Steven graduated with honors at the Cornell Hotel Management School and finished in the top 10 in his class. After college he worked for the Hyatt Hotels and at age 26 was National Director of Hyatt Hotel's Development Division. In late 1987, Steven left Hyatt to come on Board with me after I persuaded him that 'equity' available here was more valuable than a high salary there. Steven became COO in 1990. Then as I started to phase into heavy USTA work in 1995, I really stepped out of operations. Steven has been running the business since then, although I get involved in some of the capitol deals. This year, Steven is CEO and has voting control. He really runs the business. By going heavily with the USTA in '95, I was able again to pursue the dream of combining my vocation with my avocation. That was a nice consistency afforded by my comfort with Steven at the helm.

**Q.** With Steven's background with the Hyatt and as a business consultant, he had assets

(See Alan Schwartz page 14)

# Back Care Programs – a Formula for Success

By: Elyse McNergney, MA,  
and Joy Karley, MA

As fitness professionals, most of us would agree that proper stabilization and alignment are essential to safe and effective exercise. On a daily basis, we see more than a few clients who complain of some type of back pain. Offering a Back Care Program is an excellent way to generate additional revenue for your facility while providing a valuable service to your members.

Most Doctors of Chiropractic would also agree that an integral component of a healthy spine is spinal stabilization exercise. However, not all spinal stabilization programs accomplish the desired effect. A key factor in any successful Back Care Program is its effectiveness and its integrity. Not only must it sound good, look good,

and attract clients – and client registration \$\$\$ - but it must also consistently achieve outstanding results. This ensures longevity and invaluable word-of-mouth advertising for your Back Care program.

**So, what constitutes an effective Back Care Program?** Stabilization exercise is a central aspect of spinal health. The role of stabilization is to:

- Increase muscle mass in core muscle groups.
- Improve proprioception, develop awareness of positioning
- Improve muscle recruitment patterns.
- Create the proper technique from which all other exercises should be performed.

## Muscle Mass

Sad but true – all the muscles in the body atrophy without use after 25-30

years of age. The foundation of strength necessary to carry out simple activities such as lifting groceries or climbing stairs depends on the trunk muscle support. When these muscles are weak or when they are simply inactive (meaning that the muscle recruitment is deficient); the result is intervertebral compression and shearing. It is logical to conclude that the foundation of fitness is in the spine and the trunk muscles. The trunk muscles not only support spinal movement but they also initiate all limb movement when functioning properly. Trunk muscle hypertrophy is necessary for spinal health and fitness and thus is a goal in stabilization exercise.

## Improving Proprioception

Stabilization exercise should also help the client

understand and improve spinal alignment. The three curves of the spine should be in balance for shock absorption. Most people rotate the pelvis posteriorly and flatten the lumbar and cervical curves while performing exercises. Stabilization exercise is used to reinstate these curves and develop strength to maintain proper curvature and alignment. The client should understand that mobilization exercises can be used to increase flexibility at a joint; whereas stabilization exercise is used to strengthen the body in its correct position and co-contract the trunk muscles to build muscle fiber recruitment and endurance.

It is common that a client will learn an exercise in the club only to repeat it at home or during ADL's with incorrect form. Educating the client to "feel" a new position as correct takes time and repetition. This is why the

exercises should be repeated in the club until the client's neuromuscular system is re-educated. Your client will reach a point of awareness where he/she is uncomfortable in the old postures and has fully integrated new postures. This is important because research shows such proprioceptive sensibility will reduce back injury.

## Muscle Recruitment

The order in which the muscles "fire" to produce movement is now known to be dysfunctional in many clients with low back pain. The correct order of muscle recruitment for moving or exercising the lower and upper limbs begins with the deepest abdominal layer, the Transversus Abdominis (TrA) followed by other trunk muscles and concluding with

(See *Back Care* Page 12)

## HEALTHY INSPIRATIONS Weight Loss & Lifestyle Centers Quickly Grows to 25 Worldwide Locations!

In just 20 months, the Rhode Island based company, HEALTHY INSPIRATIONS Weight Loss & Lifestyle Program, has grown to 25 locations worldwide. The 25 locations are in 10 states (Rhode Island, Massachusetts, Virginia, Maryland, Florida, California, Wisconsin, Minnesota, Missouri and Georgia, and 5 countries (United States, Australia, Canada, England, Brazil). Notes Rick Dyer, VP of Licensing for the company, With our current, controlled growth of 3-5 locations per month, we fully expect to exceed 50 locations by the end of the year.

Casey Conrad, founder of HEALTHY INSPIRATIONS, claims that the success of the program can be boiled down to two primary factors. First, the concept is designed to attract individuals who need to lose weight but would not walk into a fitness facility because of the intimidation factor.

This represents a huge percentage of the population because currently 61% of Americans are currently either overweight or clinically obese and yet only 12% of Americans are currently members of a health club. Second, the entire program is turn-key, giving operators step-by-step instructions and tools to be successful.

Although the term turn-key seems to be a common word used by businesses today, in discussing the specifics of the HEALTHY INSPIRATIONS Weight Loss & Lifestyle Program with Conrad, it appears that just about everything has been laid out for the operator. First, a complete business plan is provided, allowing operators to approach their bank for financing. Dyer notes, With operators that have had to go to the bank, they are 4 for 4 in securing financing. Next, a detailed pre-launch kit is provided, which provides operators with all the details about

build-out and pre-training groundwork. Next comes the week-long training program at the corporate office. This intensive training covers everything from the specifics of the nutrition plan to the sales process to marketing to day to day operations. Licensees also leave with extensive operations and training manuals for their centers. Finally, monthly marketing materials and campaigns are provided as well as on-going support from corporate.

Notes Conrad, Not only have we tried to think of everything that an operator would need to successfully run a facility but we are constantly updating and improving the system the infrastructure and the materials. A successful weight loss program that can function both inside and out of a traditional health club has evaded our industry for a long time. With my 17 years of industry experience and my commitment to training systems, this



program is a winner. Not only are clients succeeding but operators are making great money with an average ROI of 6 months.

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

## ...Back Care

continued from page 12

the limb muscles -- in other words, from the center to the periphery. When a client does not "fire" his/her muscles in the correct order, the spine is not protected from the loading produced by the movement (ie lifting).

An important component to stabilization exercise is to analyze and develop muscle recruitment patterns (MRPs) that initiate with the TrA and other trunk stabilizers, and to repeatedly strengthen this pattern. Stabilization of the core muscles should become automatic and the client should understand that it is the basis for ALL EXERCISE. In other words, when leave the gym, the same process of stabilization applies to all forms of exercise as well as ADL's.

### Create the Proper Technique

This brings me to the final point in this article --

CREATE THE PROPER TECHNIQUE and REINFORCE THE CORRECT MOVEMENT PATTERN so that the client can and will perform all exercises correctly. Obviously, we want our clients to be physically fit, but not if the exercises reinforce bad habits (movement patterns). Unfortunately, this is usually the case.

The problem with many abdominal exercises is that they irritate soft tissue or increase compressive loading on the intervertebral discs. For example - the common sit-up often causes high levels of compression in the lumbar spine. In a study by McGill the safety of the sit-up was questioned because of the degree of tissue loading. Load predictions from this study suggest that performing sit-ups (dynamic and quasi-static) result in compression loading (>3000 Newtons) on the low back. Repetitive sit-ups at high acceleration produced extremely high inertial loads and thus are prohibitive. McGill also discovered that the straight leg sit-up does not significantly differ from the

bent knee sit-ups in abdominal EMG activity or compression loading.

How many times have you watched club members perform abdominal curls incorrectly, (with too much momentum and pelvic movement) resulting in the compressive force of a dozen backpacks upon the low back? How many times have you seen a hamstring stretch performed as if it was a thoracic compression move? How many clients do you know who can reach overhead without moving their cervical spine out of alignment? Exercise programs should be formulated to correct faulty movement patterns and to create trunk stability, which is essential to a spinal stabilization program, and ultimately to your clients' spinal health. Spine Stabilization Exercise supports the adjustment and is worth the time to understand and teach!

### Do Your Homework

If you are considering adding Back Care to

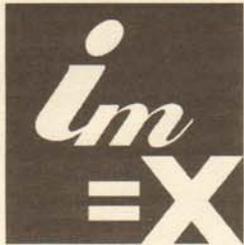
your club's programming, be sure to thoroughly research your program options or hire a consultant with extensive experience in this area. Look for a program that incorporates the components discussed above to ensure safety and effectiveness, which will lead to the all-important client satisfaction. With proper marketing and promotion, a good program will not only take off strong but will provide a long-term source of revenue and client referrals.

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courses for SES Certification, or take sections of the certification to increase knowledge and understanding of back care exercise.

*(Else McNergney, MA, MEd, ATI, Pilates Certified, is the founder and CEO of The Xercize Corp. She developed the curriculum and program for the IM=X Spinal Exercise System. Her clients include Orel Hershiser, Liza Minelli, Lou Reed, JoJo Starbuck, and many other professional athletes and performers.*

*Joy Karley, MA is Executive Vice President of The Xercize Corporation - creators of IM=X<sup>®</sup> (Integrated Movement eXercise) innovative, new Pilates-based programming and equipment that capitalizes on the demand for the Pilates exercise system, enhances its benefits, and introduces a lucrative new source of revenue for club owners. Elyse and Joy can be reached at 212.997.5550 (800.IMX.1336 outside New York) or via email at [elyse@xercize.com](mailto:elyse@xercize.com) and [joy@xercize.com](mailto:joy@xercize.com).)*



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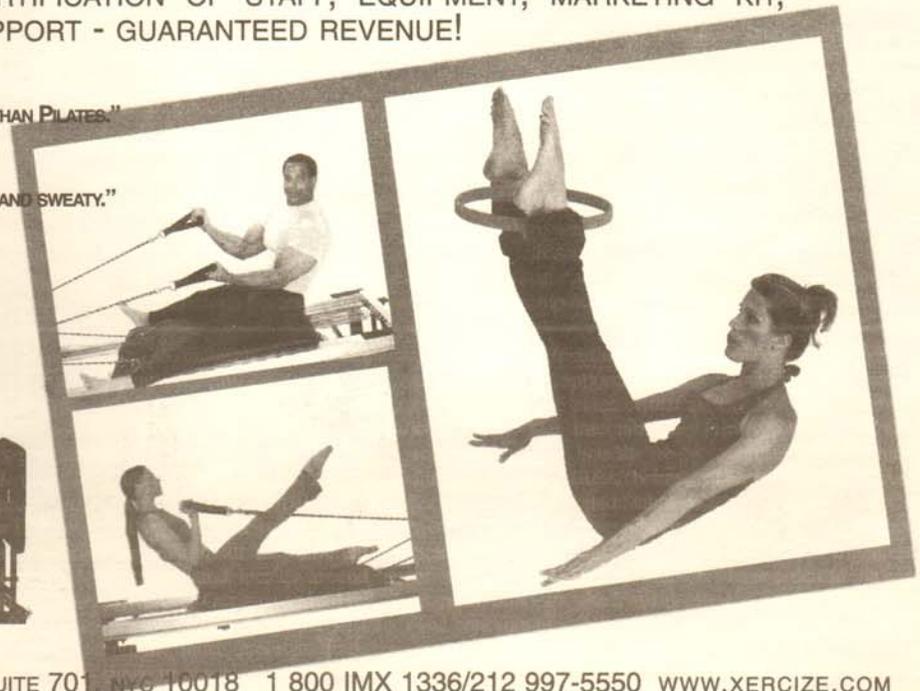
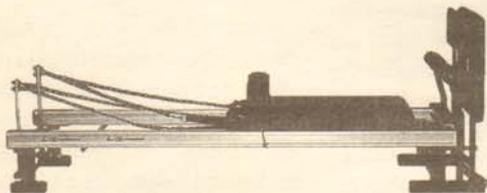
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## ...Alan Schwartz

continued from page 10

to bring to the table when he joined you full time. How did the transition go?

A. I had a personal mission statement as far as this business was concerned. It was "to make my death a non-event." The truth of the matter, his having worked outside with Hyatt and as a management consultant, brought him here well prepared with many ideas and improved ways of doing things. It was a learning experience for both of us.

Q. Steven, your Dad is a very talented, hard driving man with great vision. Could you summarize some of the traits you've adopted from him? A. Steven- "First, I would say we are both very motivated and energized people. Second, we are very caring and loyal people. And, we are both pretty creative and have a good sense of humor. Those are the things I would say we have most in common. We get along great. We totally understand how each other thinks and works. He could tell you how I would approach a deal and I could do the same for him. Although it would not always be the same, I think we both respect each other's view. As a team it has worked out better than either one of us alone. I think the working relationship has been very complementary and the performance speaks for itself."

## A USTA Soldier For 30 Years

Q. Alan, tell me about your long-time involvement with the United States Tennis Association? When did you join? Share with me the excitement you must feel about possibly being the next President of the USTA as of January, 2003?

A. Well, I am lifetime member, number 151, and there are 641,000 USTA members! The Association is 120 years old. They started to sell lifetime memberships back in the early 1950s and that is when I became involved. Once I got out of school I spent 20 years with the Chicago District Tennis Association and another 20 years with the Chicago Tennis Patrons, going out there and giving complimentary tennis

lessons and becoming the Junior Davis Cup Coach on a volunteer basis. Really, I have been very happy on a local level working for the USTA for 30 years."

Steven adds, "You gave Andre Agassi his first National Championship Trophy. And, John McEnroe and Pat McEnroe."

Alan- "John McEnroe, Andre Agassi, Pat McEnroe, all won their first National Championships at our Mid-Town Tennis Club. At that time I was the Tournament Director for the National Boys 14-Championships, and they all won their first National Championships here at the Mid-Town Tennis Club and that goes for Andy Roddick, the current 'hot guy!'" But, I was very happy doing these things on a local level, hands on. I enjoyed it. I didn't even think about going 'up' the ladder in the USTA because until I came along in their 120-year history, they never had anybody on the Board who made money from the sport. Never. It never occurred to me until they asked me to interview for a Board position. They took me and another fellow, Gene Scott, the Publisher of Tennis Week, onto the Board at the same time." Scott stayed on the Board until the end of our first two years. I was further honored to have been kept on the Board after our first term. They moved me up to Vice President in 1997 and 1999. In 2001 I became First Vice President. As First Vice President it has meant a minimum of 100 days a year on the road for the USTA. And, if I am not on the road, it involves at least 35 hours per week working on USTA matters."

Steven adds, "And, close to half of those 100 days are out of the country."

Alan- "Then the pace picks up a little bit if I move up to President in January, 2003. But, that is not guaranteed. The excitement is caused by the ability to make a difference in the number of people playing tennis. The USTA did not have a Mission Statement until 1995 and I had the privilege of writing that Mission Statement and it is 8 words: "To Promote and Develop The Growth Of



(L to R) Ann Skiffington, Jeff Swanson, Christy Cray, Doug Cash, Debra Siena, Steven Schwartz, Chuck Barnard, Greg Snow, Michael Mahoney, & Timmer Halligan

Tennis." So, that is the mission. That is what we are trying to do. The USTA owns the U.S. Open. We select the Davis Cup Team, the Fed Cup Team and the Olympic Team. We're operating with a budget in excess of \$200 million a year! And, today the membership in the USTA is 641,000! That's a lot of people!

## The Three Greatest Challenges

Q. Alan, tell me what you think are the three greatest challenges facing the health, racquet and sportsclub industry and what you are doing about each?

A. Number one is the not-for-profits. The hospitals, the YMCAs, the usual list of suspects. And, what am I doing about that? I am now talking to a former teammate of mine on the Yale tennis team, Nick Brady. Nick was the Secretary of the Treasury under the first George Bush. We are actively looking into having the IRS do what they are supposed to do, which is to check whether the non-profits are earning their exemption each year or not.

The number two challenge I think is getting the percentage of the population who exercise and/or participate in sports, up from the present roughly 13% up to 20%. What I am doing about that in my own small way in tennis is that Mission Statement to 'Grow the Game', and you only grow the game by having more participants. I want tennis to do its part in terms of going from 13% to 20% in terms of active

people.

The third challenge is getting professional management at all levels of the industry because professional management will help people stay with their sport or exercise. What we are doing in this area is that we have our own TCA University. We put through at least 150 of our people through the TCA University every year. Amy Bills does a terrific job for us with TCA U.

Steven adds- "Norm, we run what we call ongoing "Sales Bootcamps" where our sales reps come in and learn what we consider good ethical sales practices and acceptable scoreboard techniques. We run sales manager training classes and Casey Conrad of Communications Consultants does a lot of those for us. She's terrific. Our Sales Boot Camps are done by our own internal team with Casey's assistance. We have Head Tennis Pro meetings where we have pros from all over who come in and we train them on best practices. When Pilates looked like it was going to grow like it has grown, we brought in a number of manufacturers and took a person or two from each club and did a series of two-day full training for them. All supervisors in our company go through human resources training."

## Speaking of Talent

Q. Alan and Steven, who are your "key management" players?

A. Steven- "The key to our

lineup is our club general managers and department heads. They hire the team and deal with members. They set the tone for each club. At corporate, our key people are Doug Cash, our new COO, who is the keeper of our TCA culture. He makes sure that everyone, all 2100 TCA employees up and down the line, understand that we need to make our numbers in the short term, but that really it is the long term that matters and that all decisions need to be kept in long term perspective. We need to have passion for what we do. We need to hire people who are passionate about what they do. Doug teaches a lot of TCA University courses. He touches a lot of people so they understand how we think and how we manage the business. I spend more of my time on strategic direction of the company and acquisitions and financing. Doug concentrates on where the rubber meets the road, dealing with customers and employees. We've got the best team in the business. We've got people that have been with us a long time, have come up through the system and have a real passion for the product that we have and understand our core values. They have talent, enthusiasm and drive. And, we trust them. We have a long history of experience together. We are very fortunate to have people like Doug Cash (28 years), Michael Mahoney, the 'tennis master' (25 years), Debra Siena, a fabulous motivator, recruiter and trainer (16 years), Frank Nusko, our Chief Finan-

(See Alan Schwartz page 18)

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# The Milner Report

## News and Views on Aging

This past month two major organizations announced projections around the aging population. The World Health Organization predicts that depression will be the second greatest cause of premature death and disability worldwide by the year 2020. And the United Nations states that the world is aging so rapidly that the elderly will outnumber the young for the first time by mid-century, with profound implications for financial and labor markets as well as politicians.

These announcements reflect the continuing trend towards world domination by the older adult. Okay, the last sentence might be an exaggeration. But you could easily come to this conclusion based on the level of press, research and information available. Aging information is now like an untamed river: once you get in, you can easily be swept away.

In this issue of the "Milner Report," we make your ride a little smoother with the latest research on aging. What do these findings mean to the future of your organization? Read on to find out.

### The power of strength training

New research shows that strength trained older adults have higher levels of anaerobic power and function as a result of strength training, than non-strength trained older adults. Anaerobic power may enable them to better deal with challenging daily tasks, such as transferring heavy items or rising from the floor, which may be dependent on the ability to generate short bursts of energy anaerobically.

**SOURCE:** The Journals of Gerontology Series A: Biological Sciences and Medical Sciences 57:M173-M177 (2002)

**Opportunity:** Offer a "Power" training program for your older clients, as we lose 75% of our power Vs 50% of

our strength by age 80.

### Beyond the fall

Even a minor fall can make older adults overly cautious. Various surveys show that, of those people over the age of 60 who have fallen, 40% to 73% fear falling again. And half those people restrict their activities as a result.

A new study may offer hope for overcoming this fear through rehabilitation. Researchers conclude that progressive resistance training and progressive functional training are safe and effective methods to increase strength and functional performance in patients after hip surgery and a history of injurious falls.

**Source:** Age and Ageing 2002; 31: 49-57

**Opportunity:** As one out of three people over the age of 65 fall each year, the cost to society, families and the individual is immense. Offering a balance assessment and training program addresses the needs of this market and helps to prevent falls. Offering a program to rehabilitate people after falls creates another opportunity. Utilize the American and the British Geriatric Societies' Clinical practice guidelines for the prevention of falls in older people as one of your key tools, then set out to market the program.

### Older adults welcome dietary advice

A survey of 600 Americans reveals that 80% of those aged 60 and above recognize the vital role nutrition plays in managing chronic conditions. But only one-third of these people say their doctors focus on nutrition. A whopping 85% say they would use dietary strategies and information from their doctors.

**Source:** American Academy of Family Physicians and the American Dietetic Association, 2002

**Opportunity:** Create

a nutritional program that addresses the chronic issues of older adults. A resource you may want to use is A physician's guide to nutrition in chronic disease management in older adults.

### Older Americans resist anti-smoking message

The decades-old anti-smoking campaign has achieved limited results with older American men. "While there is evidence that the American anti-smoking campaign has resulted in a smoking decline among younger individuals, our research clearly shows that it has been less successful among older, established smokers," Dr. Brad Rodu of the University of Alabama at Birmingham told Reuters Health. The findings suggest the anti-smoking campaign must discover new ways to reach older, established smokers.

**Opportunity:** According to new research, one way to help your members quit smoking is to have them view their own clogged arteries. Smokers forced to look at images of their own hardened arteries are nearly four times more likely to quit smoking than those simply counseled to quit, researchers report. Work with your medical community on this idea.

If the above approach does not inspire them to change, maybe the results of a French study of 719 men between the ages of 51 and 85 will. This study revealed that male smokers who smoke more have lower bone mineral density than those who smoke less. Basically, smoking is bad to the bone.

**Source:** The Journal of Clinical Endocrinology & Metabolism 2002; 87:666-674

**Source:** Preventive Medicine 2002; 34:215-220.

**Source:** International Journal of Cancer 2002; 97:804-806

### Many heart patients get help too late

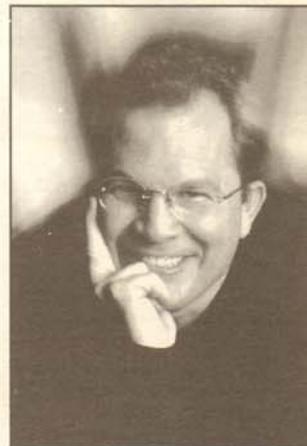
New research by the Centers for Disease Control and Prevention (CDC) in Atlanta shows that 63% of heart disease-related deaths in the United States in 1999 were sudden cardiac deaths. About 47% of the patients died before reaching hospital. Another 17% were pronounced dead on arrival or died soon after in the emergency room. Dr. George Mensah, chief of the CDC's Cardiovascular Health Program, says, "The proportion of out of hospital deaths that were the result of a 'sudden' attack is increasing." From 1989 to 1998, the percentage of these deaths has increased from 37.8% to 46.7%.

**Opportunity:** The American Heart Association and the American College of Sports Medicine encourage all types of fitness venues—from exercise rooms in hotels to large, staffed health clubs—to have AEDs available.

In particular, the groups "strongly encourage" AEDs in facilities that offer special programs to the elderly or individuals with medical conditions, and locations where paramedics are likely to take more than five minutes to arrive.

**Source:** Circulation 2002; 105:1147-1150

(Colin Milner is the CEO of the International Council on Active Aging and the former President of IDEA Health and Fitness Association, and Vice President of sales and marketing for Keiser Corporation. Over the past 20 years Milner has been on all sides of the industry including club management, consulting, publishing and equipment manufacturing. He has authored over 80 industry articles and has been interviewed extensively in leading publications such as, The New York Times, Los Angeles Times and The Wall Street Journal. If you wish to contact Colin Milner



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## ...Alan Schwartz

continued from page 14

cial Officer (16 years) and John Harris, our newest Vice President, (6 years). We have an excellent management lineup and then we have supporting experts that work with them. Brett Gargano is the Controller working for Frank Nusko. These guys know club accounting and numbers as well as anyone in the country. Then you've got Bill Bartkus who is our interior designer and does all of our design work. Then there is Gary Polic who is the National Director of Sales. Gary is the 'Vince Lombardi' of sales. We've built a sales system that is second to none. Gary works that system so that we can make almost anyone successful in sales. Gary is an ex-football player and a fabulous coach.

Without a great team you can't build a great company. TCA is different from some club organizations because we really are in the real estate business. And, we're in the club business. My Dad and I can build a great real estate company without too much extra help. But, we can't build a great club company without a great team. That great team has allowed us to take advantage of our real estate expertise and leverage the club business.

**Q.** Alan, you didn't mention that you were a Founding Member of IHRSA and have been an IHRSA member ever since. Share your thoughts on IHRSA with us.

**A.** I have three thoughts on that. The first is, it shows you what one leader can do to make the difference in an Association and that's John McCarthy. I think that man has done an unbelievable job. A selfless job and a visionary job. Second, I believe that the quality of the original Founding Group, and I'm looking more to you, Dale Dibble, Rick Caro, Curt Beusman, some of those people that had a passion for it and made it happen. Don't forget Bob Fitzgerald and John Wineman. The combination of McCarthy with you dedicated guys was an unbeatable combination. The third thing is just how awestruck I am at the attendance at these conventions from both the conference and trade show perspective.

Steven adds, "IHRSA needs to become more focused in terms of being a driver in government policy and more significant in terms of professionalism of the managers that attend so that they implement the accounting standards and learn how to be better human resource managers."

**Q.** Alan, can you share with us the top three things that have made TCA so successful over the years?

**A.** The first thing is having a talented team. It doesn't happen with one person or with two people. You've got to have a team that really works together. Secondly, your people must have a deep passion for what they are doing. I am very proud that our people share a true passion for what they are doing because 'fire in the belly' makes a difference! The third thing, and I will take a little bit of a kudos, with Steven on this, we have what I call 'financial acuity.' Financial acuity means that we understand the balance sheets. We understand making arrangements with financial institutions where they are happy and are not involved in one-sided arrangements. It means promising what we can deliver and delivering it without exception for 30 years. We've never had an extension on a loan. We've never over leveraged the balance sheet. We try to leave some margin in there for the banker to be happy."

Steven- "Dad, you put this in play a long time ago. We look at three financial principles:

Soundness first. Profitability second. And, growth third. So, its not just 'how many units did you add?' It's how good is your balance sheet. Are you making good margins or profits? Then, we'll go out and grow. Also, I think we are a little different than the average club owner. My Dad, of course, comes to the game with a tremendous passion and deep personal commitment like so many club owners do, growing this out of his own personal interest and avocation. But, the difference is he is Harvard Business School trained. I'm Cornell Hotel School trained and he is on the Board of a bank, I worked for a large hotel development company. There is a solid business foundation. I think it distinguishes us. But,

I think as the world gets more sophisticated, there are a lot of other talented people coming into this industry too."

Alan- "There are a very bright bunch of people coming into the industry!"

Club Insider- "Don't you think we should give credit to John McCarthy because we've been able now to attract that kind of talent?"

Alan- "Hands down, yes. When you asked me my thoughts on IHRSA, #1 was John McCarthy. I think without him we just would not be anywhere near where we are as an industry, and we were blessed to have a man like that. And, how about how smart you guys were to pick him!"

Club Insider- "Well, we must be sure to give credit where credit is due to Dick Trant and the NERSA folks who at the time had John McCarthy working for them!"

Alan- "Yes, you're absolutely right. It was Dick Trant who identified and found John. Dick Trant deserves kudos for seeing the gem that John McCarthy was and for being willing to let him go 21 years ago so he could lead IHRSA as our Executive Director!"

## Chicago A 'Monster' Market

**Q.** Steven, recently John McCarthy sent an email memo about how intense the competition had gotten in the Chicago Metro market. Can you comment on the Chicago market?

**A.** Steven- Chicago is brutal. Chicago is tough. We like to say around here that great companies do well in tough times. TCA is doing well and these *are* tough times. There are lots of tough competitors in this market. To be good means to execute at the line of scrimmage and we're good at that. We keep our facilities in tip top condition. We always reinvest so that there are no excuses in our facilities. We invest an enormous amount in training our people so that they provide good service. Our people know what they're supposed to do and how to do it. They're able to deliver

better service than anyone else. And, we have an advantage in Chicago because we've been here for so long we've got some very good locations and a great reputation. As to the competition, Bahram Akradi's Life-Time Fitness is clearly the toughest and best competitor to enter the market since I've been watching new competitors come in. The question will be; 'is the market big enough for everybody?' I would say he runs an upscale mass market operation similar to Target stores if you would compare it to retail. I'd say we run more of a Nordstrom's operation. Great service, great variety, but not mass market. I think there is room for both. Then, there are also the park district non-profits and they are a big problem as well. When you are dealing with non-economical competition, people who don't pay taxes or people who don't have debt service, or for whom the club is a marketing lost leader (for hospitals), that's the wild card in this market.

People, facilities, great locations and good service are the keys for us. I think the mistake some make is that when the going gets tough they don't invest enough back into their facilities to keep them competitive. It is very easy to get myopic so that you fail to see that your product has gotten tired. You go there everyday and it looks fine to you. We avoid overlooking that.

**Q.** Steven, speaking of reinvestment in the clubs, how do you go about funding that?

**A.** From day one, we have never made a distribution to ownership. We are a 'Sub S' corporation, so we make a distribution for our partners to pay their taxes. But, no more than that. We take all of our excess cash flow and reinvest it in the company. So, Alan and my lifestyles do not change based upon whether the company had a good year or a bad year. It changes only based upon the strength of our balance sheet. A lot of owners get into a mode of taking all the excess money out of the business, so that when it comes time to reinvest, they must take the money out of their pocket again. That's a much tougher decision for the average owner. My Dad has lived in the same house since I was 3 years old.

We're building something that we're proud of.

**Q.** Steven, TCA has done an enormous amount to build and grow tennis in the Chicago area. Share what you can with us on that?

**A.** This goes to a core value at TCA and that is giving back to the communities that we serve. We've always been committed to our communities. In Chicago, we ran the Chicago Park District tennis program for 5 years pro bono. That is 800 tennis courts, Norm. Finally, we just trained the park district so they could take it over. I've been involved in Big Brothers and Big Sisters for many years. So, at TCA we adopted a local school and our corporate staff goes and mentors kids. We were the first company in the City of Chicago to get involved in the expressway partnership where you adopt a mile of a highway, clean it up and replant it. There is zero return on investment on that. We don't get any members from it. But, we feel good about doing it and that matters to us. Another example of community leadership would be Roger Mitten, our Head Pro at Mid-Town, just won the USTA Award for best tennis program for under-privileged children called TOP for Tennis Opportunity Program.

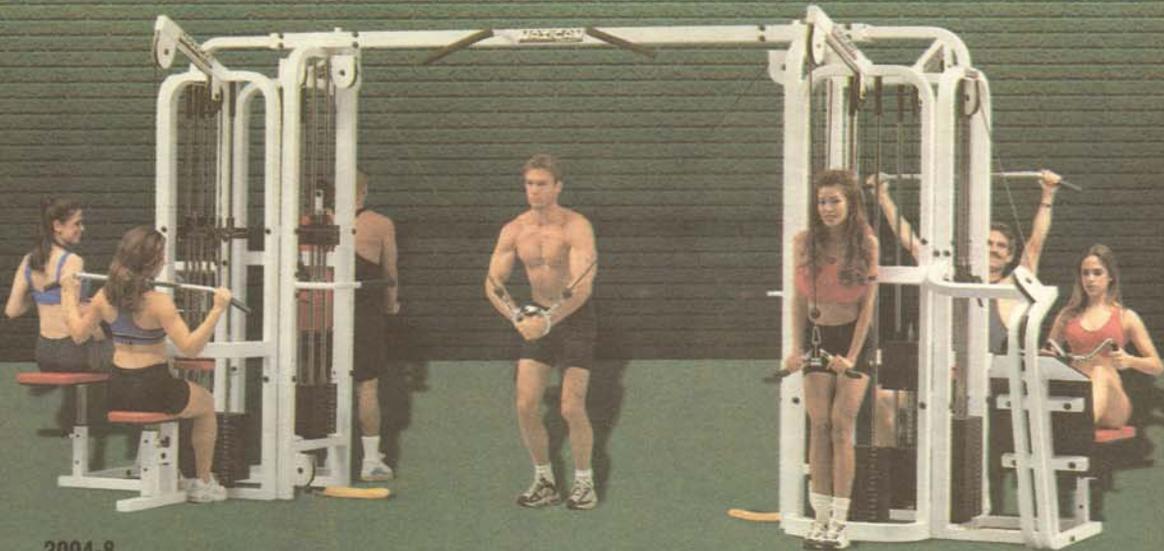
**Q.** Steven, Alan was a Founding Member of IHRSA and you served the Association as a past member of the IHRSA Board of Directors. Give me your feelings on IHRSA?

**A.** We love IHRSA. We've always been actively involved in IHRSA on some level. What we get out of IHRSA has changed because we've changed and as IHRSA has grown. Originally, IHRSA was a networking opportunity where we could share information and get information in return. It was helpful in building the business. Then, IHRSA took the lead in education with the IHRSA Institute which my Dad helped establish. Then the Convention and Trade Show became a very important focus for us. Now, IHRSA's biggest value to us is the government relations and lobbying. I would like to see more and more clubs in IHRSA, clubs of all shapes, sizes, and colors. I see us as an industry Association. I am one of the

(See Alan Schwartz page 21)

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# Using Personality Differences To Build Teams That Work

By Tony Alessandra, Ph.D.

"Round up the usual suspects," the gendarme ordered in the famous line from the movie "Casablanca." And frequently that's how executives think when they create teams, committees, or task forces.

The boss says or thinks something like: "Let's appoint anyone who might know something about this issue." Or even more likely: "Grab anybody who's got a stake in this thing."

Organizations, of course, love such groups because when they work, they can improve coordination, help employees feel more involved, and maybe even spur innovation. But when they flop—or, more commonly, just lapse into mediocrity—they can drain an organization of its vitality and leave a legacy of posturing, power struggles, and misunderstandings.

## Designing a Group

We naively assume any group can automatically be a team. But, actually, one of the biggest single reasons that teams misfire is that personality differences are ignored. In short, who's selected for the team will very likely affect the outcome. So, for best results, we can't just order an off-the-rack model—we've got to design one that'll best do the job.

If, when you create a team, you employ knowledge of the four personality types, or behavioral styles (see sidebar), you greatly improve its chances for success. You need to take into account that there are natural allies and antagonists among the styles and also that each style functions best at a different phase in the life cycle of a team.

For example, SOCIALIZERS often see THINKERS as overly-analytical fuss-budgers. DIRECTORS might sooner die than turn into dull plodders like the RELATERS. THINKERS, while often drawn to RELATERS, have difficulty understanding the SOCIALIZER's lack of focus or the DIRECTOR's impatience. And RELATERS only wish everyone was as amiable as they.

So while the potential for conflict is always there, it needn't become the reality. In creating a team, think about who you are putting on it and monitor how they function during the group's evolution. That way you'll not only make the best possible use of the strengths of each team member, you can help create a whole that's much larger than the sum of the parts.

## The Natural Cycle of Groups

Work groups typically follow a cycle, just like the organizations which spawn them. They face predictable obstacles, rise to the occasion or fail, and as a result, either evolve or deteriorate. At every stage in that cycle, each of the various behavioral styles can be a help or a hindrance.

### Phase One: FINDING FOCUS

Any new group at first gropes to find its focus. Members of the group ask, or at least think: Is this going to be worth the effort? Is this going to be a useful team that can get things done? Or is it just another group holding yet more meetings aimed at producing another report that nobody reads?

In addition, each member at this point is seeking to define his or her role. They silently ask: "Do I fit in here, or am I an outsider?" "Am I going to be an important member of this group with real input, or am I just here for appearances?" "Is this going to waste my time?"

THINKERS and DIRECTORS can be especially helpful during this first phase. They are both skilled at getting to the heart of matters, though in different ways.

If the challenges the group faces are intellectually complex, the THINKER will be in his element. Because they're so good at reasoned analysis on tasks, THINKERS they can help clarify the mission and give the team focus.

Similarly, if the main hurdle the group faces is more of a conflict-say, a history of discord among members and/

or a split over its goals—a DIRECTOR likely will shine. In fact, the group want a strong leader who can tell the warring members to quit butting heads and either commit, or leave. That's a situation ready-made for the DIRECTOR.

In either case, the THINKER or DIRECTOR may be able to get the group to psychologically buy into the idea of moving forward together, to convince the team that there's a "plan" and progress will be possible.

### Phase Two: FACING THE REALITIES

While a tough-minded THINKER or DIRECTOR may get the group going, this stormy second stage often cries out for the buoyant optimism of the SOCIALIZERS. Their friendly, informal brand of leadership can send out a strong, clear signal that this group can work together and make things better for everybody.

A people-oriented approach is needed at this stage because not just the team's internal dynamics but also external issues must be addressed here. It's at this point that reality often intrudes. The group may begin to see how difficult its task really is, how little time and resources are available, and how members may need to settle for a half a loaf rather than a stunning breakthrough.

All these factors can breed frustration, confusion, and disillusionment. This is when it'll be decided if the group tackles the real issues in meaningful ways, or gets mired in its own internal power struggle. That's why SOCIALIZERS, who are good at smoothing over rough edges and encouraging all to share their thoughts and feelings, can be a key here.

Many groups, of course, never transcend this them-versus-us mindset. They continue to silently debate: "Who's the 'top dog'?" "Who stands to gain the most and who'll likely come up the loser?" Such a team isn't likely to accomplish much. Instead, members will continuously collide with one another, limiting themselves as a team and as individuals.

But if the SOCIALIZER, with his or her upbeat attitude and people skills, can get the members to quit keeping score, they may yet learn to work together. If the SOCIALIZER can convince them that who's in charge is less important than who has what know-how and attitudes, the group will have entered the next phase.

### Phase Three: COMING TOGETHER

Cooperation and collaboration become increasingly apparent, and it's now that RELATERS can give the group a boost. Because they are especially good at coalescing differing views, the RELATERS help meld individual differences into group progress.

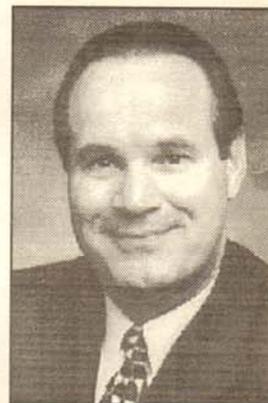
By opening their hearts and heads to one another, the RELATERS, or others with RELATER-like behavior, can blend the discordant elements into more of a single melody. The team begins to narrow the gap between what it earlier said it wanted to do and what it's actually doing. There's been a shift of identity, and it's become a true team because members who previously thought in terms of "me," begin thinking "we."

### Phase Four: REACHING FOR STARDOM

The final stage is more the exception than the rule. But, when reached, it means a team really is performing at its best and highest use, that it's functioning as a whole, not just as a collection of individuals.

Its members enjoy being part of the team and express that fact. They've learned how to work together. Morale is high. The group continually produces quality and quantity output and is effectively self-managing.

In the previous three stages, DIRECTOR-type behavior might have been called for on key decisions. But at this stage, a hands-on, controlling style isn't needed. In fact, once a group has this momentum, such a strong-



Dr. Tony Alessandra

handed style can be counter-productive and could even torpedo the group's progress. Instead, the team's decisions flow naturally from its deliberations.

## Differences, Not Deficiencies

Love'em or hate'em, work groups are here to stay. (Some estimates are that as much as 50% to 80% of a manager's time, for example, is spent with groups.) But while they can be high-performance vehicles, they're can also be high-maintenance, especially in the early stages. Both the team's creator and its members need to carefully watch the process. Only a team that fully understands and savors its members' styles is likely to be genuinely productive.

If members were chosen carefully and if they practice adaptability, the advantages of stylistic diversity can quickly outweigh the group's liabilities. Remember: We're talking about personality differences here, not deficiencies.

So, in the final analysis, working with groups all comes down to suspending judgment, empathizing, and trying to play to people's strengths. The result, despite our differences, can be a wonderful synergy.

Adapted from THE PLATINUM RULE: Discover the Four Basic Business Personalities—and How They Can Lead You to Success, by Tony Alessandra, Ph.D., and Michael J. O'Connor, Ph.D. (Warner Books, 1996).

# “Spa Insider”

## A Spa Business Plan

By Jennifer Lynn

The Spa industry has experienced phenomenal growth over the last ten years. Within the spa scene, the “Club Spa” is making a large explosion. In most cases, a “Club Spa” is an addition or modification to an existing facility. Like any new addition, the process to develop a spa requires sound preparation. In order to successfully launch the spa within the club, there must be research, strategic planning and a fresh look at the service side of the industry. It is important that the Spa has its own unique identity or introspective space, yet fits seamlessly into the club setting.

Typically, a new spa project would be approached in three-phases. The first phase is the business feasibility study. This is a detailed document that will assess the current market and demographics of the region and the club, provide financial projections and detail the program of space and finishes for optimum success. The purpose of this analysis is to compare costs to potential return on investment (ROI). The findings should be based on demographics, competition and logistics of locale, as well as estimated price per square foot for construction, build-out, FF&E (Furniture, Fixtures and Equipment), OS & E (Operating Supplies and Equipment), fees, contingency and pre-opening capital requirements. The feasibility study once completed will become the key for all future objec-

tives. The information collected during this process will assist in financing, design, positioning, programming, staffing and organization, marketing and business rollout. Do not underestimate the importance of market research and financial projections. This specific information is the basis for each decision made moving forward.

The decision to hire a spa consultant should be considered based on your experience in new business development. An experienced spa consultant will be able to research the market and demographics, provide financial projections and specify equipment and fixtures that will best suit the concept, size and quality to fit the scope of the spa facility in relationship to the club. With a sound understanding of the spa industry and its many idiosyncrasies, a qualified spa consultant can extract information from the market research and provide a template to proceed on the next two phases of development.

Phase II-Design begins as architects and designers translate the facility of “words” from the feasibility study into a facility of “design”. The program of space will detail the recommended square foot-age for each area; i.e. reception, size and number of treatment rooms, relaxation lounges, administrative offices, storage, staff areas and general circulation. An architect will take the proposed program of space and develop shop drawings that meet the minimum requirements for a successful de-

sign of convenience and functionality. During this phase, a designer should be identified to deliver the concept and ambience standards also recognized during the feasibility study.

There are many considerations as the architectural and interior designs begin to unfold. A luxuriously finished facility that lacks sensible functional space will be deemed inferior by members and clients. Conversely, a purely functional design that lacks thoughtful finishing touches will also fail in creating the special, ambient feel desired in a spa setting. Spa design is complicated. Noise levels, client convenience, operational ease and accessibility to the club are all factors that transform into the sensation of the design. Often times, function or design may need to be compromised in order to create the ideal working space. While programming the spa area, it is important to consider the adjacencies to other areas of the club, such as, the lockers, steam room, sauna and Jacuzzi. The spa facility should be designed to relate and flow to these areas so they are sensibly accessible and multi-functional to allow for favorable purpose.

As architectural plans and layouts are finalized, phase III, spa positioning and operational programming should begin to evolve. A clearly defined position and mission statement will provide direction for marketing, public relations, sales and overall image. You should create an

interesting and clever identity or story board from which to market and describe the spa. Often times a historical biography on the business, its name or the birth of the spa concept creates novelty that differentiates it from other spas in the community. The physical facility should also have unique features and novelties to accentuate.

Service programming and menu development can be finalized once all equipment specifications have been determined. The menu of services should reflect the overall concept, position and display a unique and preeminent program. The spa menu of services and program should evolve directly from the concept. Using products, themes or histories indigenous to the area will help create a distinctive program of services. Thoughtful programming and product selection is a marketing tool in itself. A unique offering will promote repeat visits for specialized services or one-of-a-kind products. The products selected should meet the price point of the determined client profile.

The facility design and layout will ultimately determine the operating procedures and staffing organization. A thorough Standard Operating Procedures Manual (SOP) will elucidate the principles for each job description. Setting standards and expectations will create a consistency that members, clients and staff will appreciate. Detailing responsibilities help to alleviate any unnecessary

anxiety for staff. With clear direction, spa staff is able to respond without hesitation and thus elevate the delivery of service. Members and clients will recognize the difference between an organized spa operation and one that lacks direction or crisp service delivery. As the spa is opened, members will have immediate expectations; getting it right the first time will help establish a strong reputation in an exclusively service related business.

Research has shown that the market's competitive nature is alive and well, thus validating the financial feasibility, concept, design, and operational launch of a spa program in a club setting. However, it must begin with a solid foundation. A thorough feasibility study will define the financial objectives and business goals. Ongoing commitment to the plan and concept will be the formula to success.

*(Jennifer Lynn is Director of Accounts with Natural Resources Spa Consulting, Inc. She is responsible for feasibility studies, design, development and business planning for reputable clients such as Ritz-Carlton and Marriott. Throughout her 10 year spa career, Jennifer has also held the Spa Director position in distinguished properties such as Bellagio Resort in Las Vegas and Bacara Resort and Spa in Santa Barbara, CA. Ms. Lynn can be reached at: JenniferLyn@msn.com or 478.405.2231.)*

### ...Alan Schwartz

continued from page 18

‘let ‘em all in types’ so that we can try to raise people’s professional standards and promote our industry and protect our industry. That’s how I see IHRSA. I am a little concerned with some of the International focus of IHRSA, because I think it takes the eye off the ball of serving the U.S. members and constituency and building the core constituency.

The U.S. clubs are the ones for whom we can do the most good and be the most relevant. Strategy is sometimes the essence of what not to do. What scares me about our Internationalism at IHRSA, is that you can’t deliver relevant programs in all the different languages and locales around the world. Our goal should be to have the biggest, the best and the most important trade show in the world that is a must attend for everybody.

Those numbers will drive the revenue and the importance of being in that one place at that one time. The International membership can benefit tremendously by IHRSA being successful in the United States.

Alan and Steven Schwartz’ TCA represents one of the truly successful club organizations in the world. The concepts of quality, training and teamwork are all integral parts of the TCA mix that Alan Schwartz has spent

33 years developing at TCA. Now, he has handed the baton to his very able son Steven whose talent and tools for the industry serve him well. We wish Alan and Steve Schwartz and everyone at TCA the best of luck now and in the future. The TCA organization is a huge credit to the communities it serves and to the club industry in general.

*(Norm Cates, Jr. is the Publisher and Editor of*

*The CLUB INSIDER News. Cates is a 28 year veteran of the health, racquet and sportsclub industry. In 1981 Cates was the 1<sup>st</sup> President of IHRSA and a Co-founder of the Association. In 2001 Cates was honored by IHRSA with its 1<sup>st</sup> ever DALE DIBBLE Distinguished Service Award. Cates may be reached at: clubinsidernews@mindspring.com)*

# IHRSA's Capitol Report

## Capitol Report Reprinted Courtesy of IHRSA

### DID YOU MISS IHRSA'S 20TH ANNUAL INTERNATIONAL CONVENTION?

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### YMCA MUST PAY FOR INJURIES CAUSED BY WET FLOOR

An Indiana jury has awarded a YMCA member \$52,500 for injuries suffered when she slipped and fell in its fitness center.

Susan Sternberg, age 49, joined the YMCA of Southern Indiana in 1998. One day, as she walked toward a treadmill, she passed a water fountain, under which water had accumulated. As she stepped in the puddle, she fell on her buttocks, also injuring her left wrist. She later went to the ER, to her family doctor and to an orthopedic surgeon, and was diagnosed with bulging discs which may require surgery. She complained of continuing severe headaches and radiating neck pain.

The YMCA admitted liability for the water hazard, but claimed, based on an independent medical examination, that the fall in question did not cause Sternberg's medical condition. An expert witness testified that future surgery would not be required and that there was no evidence that the fall caused any herniation of the discs.

Sternberg reported past medical bills of \$10,409 and anticipated future bills of up to \$20,284. With the addition of suffering, she valued

her claim at \$158,752. After considering the testimony, the Clark County Superior Court jury awarded Sternberg \$52,500.

### CALIFORNIA REC CENTER DRAINING TAX BASE

The Roseville Sports Center, which debuted 15 months ago, has fallen 50% short of generating enough money to cover operating costs, fueling a new round of controversy over the city's entry into the fitness industry.

IHRSA members want Roseville out of the business, while city officials say the \$6.7 million facility has a dual role -- as a fitness center and community center -- and that the first-year shortage is not cause for alarm.

Owners of private health clubs were unhappy when the center opened in November 2000. They point to the \$375,000 shortage and influx of new private clubs in the area as reasons Roseville should abandon the fitness business.

"You only hit 50 percent of your goal," Larry Gury, owner of the new California Family Fitness Center in Rocklin, told the Roseville Parks and Recreation Commission last month. "That means your taxpayers are subsidizing the rest of that. I'm sure there are a lot of other nice programs that this money could have gone to."

In addition, Holland Pro Fitness for Ladies has lost about 300 members to the sports center -- a \$150,000 bite out of its business. "We are on the verge of going under," said owner Arie Lauwers. "I've lost 65 percent of my classes to the city of Roseville. They basically wiped out my aerobics program."

But City officials are still not convinced the center will put anyone out of business or that the facility will remain operating at the current deficit. Earlier this month, the parks and recreation commission in-

stituted new amenities and fees aimed at making the center more competitive and helping the City reach its goal of a 75 percent cost-recovery rate.

Ultimately, the commission endorsed the addition of free weights at the Center and provision of personal trainers. Both amenities had been prohibited under a concession the City made to private clubs when the sports center began operating. The changes are seen as measures that could help the Center increase revenue.

Fees and amenities will be reviewed in a year, as will their effect on private clubs.

### TRUE COST OF CENTER EMERGING

Renewed opposition has emerged in Elgin, Illinois, home to what is believed to be the largest publicly owned recreation facility in the country.

Construction costs for The Centre, reached \$35.5 million, and community residents are now complaining that the proposed membership rates to use the facility are too high.

The proposal calls for rates (depending on residency) varying from \$315 to \$395 for seniors, to \$390 to \$490 for a single membership, to upwards of \$850 for a family membership.

According to the Chicago Daily Herald in order for the facility to be self-sustaining by the end of 2003 the Centre need to sell 2,350 memberships in its first six months of operation and an additional 2,500 more in 2003 at the fees that are being put forth. In addition, proposed membership fees are set to increase 5% annually starting in 2004.

The rates still need to be approved by the Council, however, Councilwoman Marie Yearman cautioned residents who she believes are under the impression that one membership fee allows residents to use all the Centre's amenities.

Under the proposal being put forth, the more you pay, the more amenities and activities you are allowed to use.

### NEBRASKA IHRSA MEMBERS CHALLENGE HOSPITAL CENTER'S TAX STATUS

Operators of two private fitness centers in Omaha say Alegent Health's Lakeside Wellness Center is getting an unfair break on its property taxes.

Prairie Life Center officials have asked the Douglas County Board to reconsider an existing exemption for the wellness center. The Douglas County Attorney's Office is reviewing the request.

"I don't feel it's appropriate for Douglas County taxpayers to subsidize a health club," Mark Sweet of the Prairie Life Center told the County Board last week.

Joel Potter, owner of two Omaha-area Gold's Gyms, has tried to push legislation in Nebraska that would allow people to challenge the tax-exempt status of any group or organization.

Alegent Health claims its exemption as a charity. But Sweet said the Lakeside center is located across from an upscale housing development. It sells memberships and markets itself as Omaha's most luxurious fitness facility.

Catherine Lang, the state's property tax administrator, said the key test in the case will come down to the property's use. State regulations do allow for specific portions of facilities to be exempt and others to be taxed. Prairie Life has argued that the uses at Alegent Health are so co-mingled that they can't be separated for exemptions.

Douglas County Commissioner Kyle Hutchings, who has visited the Lakeside facility, said part of the facility probably should be taxed. "Figuring out what part that

will be is the question," he said.

### STATE LEGISLATIVE UPDATE

**WASHINGTON: HB 1575**, the sales tax relief bill, roared out of the House Finance Committee by a margin of 10 votes for and 1 vote against, Scott Gilbreath reports. It is now in the House Rules Committee, chaired by House Majority Leader Frank Chopp, who has committed in writing his support of the bill and publicly pledged his assistance to move it through the legislature this session.

**WHFCA** was successful in defeating HB 2499, which would have created and imposed new standards on the sanitation and control of infectious disease in clubs. The measure would have only applied to taxpaying clubs. Washington's Department of Health also opposed the measure, arguing that sufficient local oversight is in place and that expanded governmental regulations would be difficult and costly to develop, enforce, and administer.

**MARYLAND:** A hearing has been scheduled for March 11 on HB 842, which would exclude specified health club fees from the state sales tax.

**MISSOURI:** SB 928 would clarify which health club fees and dues are exempt from the state sales tax.

**NEW JERSEY:** SB 1156 would allow corporations business tax credits for one-half of the cost of purchasing AEDs. SB 1017 would allow corporations business tax credit and gross income tax credit for employer expenditures to provide certain physical fitness benefits to employees.

**New York:** AB 10054 was introduced which would require health clubs before entering into any contract for service to obtain general liability insurance in the amount of five hundred thousand dollars and one million dollars in the aggregate.

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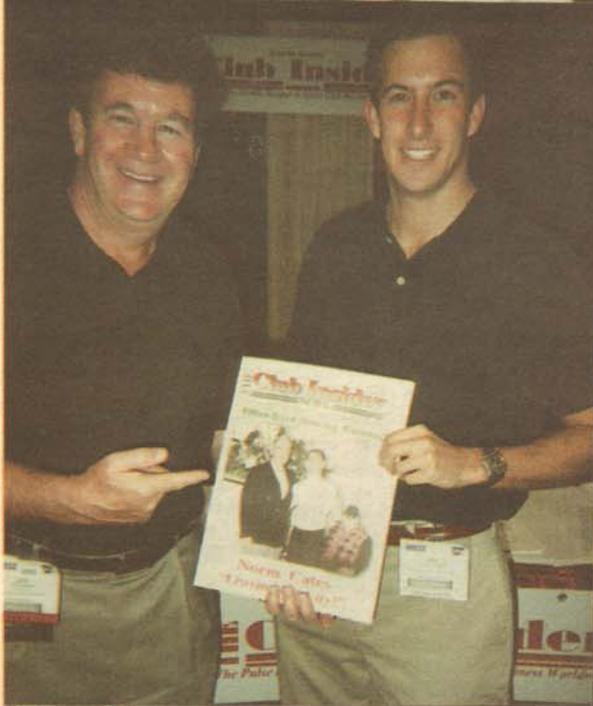
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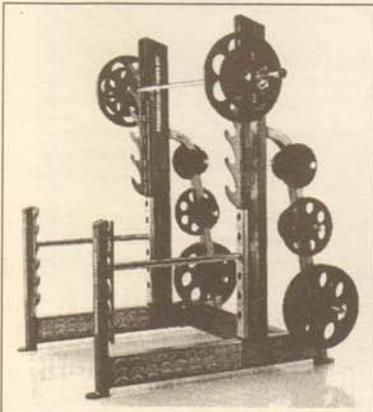




## Free Motion Fitness: A New Name, A New Look and A New Line

### Experience the Equipment Breakthroughs

**Phoenix, AZ.-** FreeMotion Fitness, Inc. (formerly Ground Zero Design), continued its trend of launching industry changing innovations with the introduction of a new Plate Loaded FreeMotion line, a Free Weight line and two new selectorized FreeMotion pieces.



**FreeMotion Squat Rack**

"Given the tremendous success of FreeMotion, and how the industry has embraced the philosophy, we wanted to continue to push the envelope and expand the concept," said Roy Simonson, FreeMotion Fitness Founder and CEO. "The plate Loaded FreeMotion products target a new audience and combine the uniqueness of FreeMotion training and the best features of plate loaded equipment."

The new six-piece

Plate Loaded FreeMotion line includes the FreeMotion Plate Loaded Chest, Shoulder, Leg Extension, Lat, Row and Squat. The line's unique design extends beyond aesthetics, incorporating sturdy 3" X 6" - 7-gauge and 2" X 3" - 11-gauge clear-coated tubing and tripod base design for added stability and structural integrity. All of the pieces feature built in weight plate posts, eliminating the need for separate weight plate storage. As with the selectorized FreeMotion line, the user defines the range and path of motion, enabling them to perform movements that are targeted to their specific needs.

FreeMotion Fitness' 12-piece Free Weight line incorporates the many design elements for improved stability such as the tripod base and the sturdy tubing and combines them with features unique to free weight pieces currently in the marketplace.

"With the addition of the plate loaded and free weight lines to our existing FreeMotion selectorized machines, Nordic Track Commercial cardio products and group and personal training program, we have a comprehensive

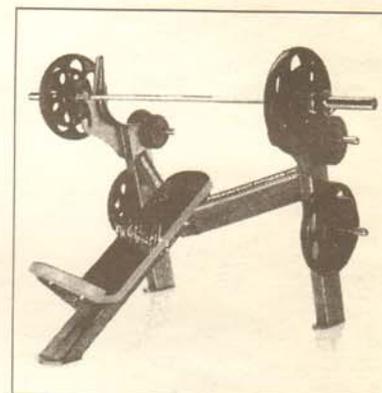
offering and are capable of fulfilling most of a facilities equipment and programming needs," said Patrick J. Hald, FreeMotion Fitness COO.

Introducing another industry first, the company is expanding the existing selectorized line to include two new FreeMotion pieces: the FreeMotion Leg Extension and the FreeMotion Leg Curl. The new leg machines couple the benefits of FreeMotion training with the isolation capabilities that the sealed position provides. The seated machines complement their standing counterparts (FreeMotion Quad and Hamstring) enabling users to target train or isolate the muscles while realizing the benefits of training with free, natural movement.

In addition to exhibiting the new lines and new pieces, FreeMotion Fitness demonstrated their FreeMotion Group, FreeMotion Personal Training and FreeMotion Circuit programs in the booth and provided visitors with an opportunity to experience the difference between FreeMotion and fixed-movement machines.

About FreeMotion Launched at IHSA two years ago, FreeMotion is a philosophy of training supported by a unique line of equipment based on simulating basic human movement patterns. FreeMotion focuses on build-

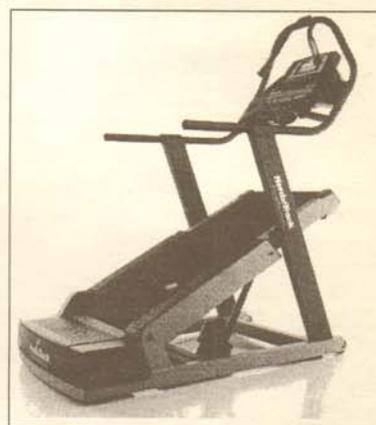
ing strength, stability, balance and flexibility through replicating natural movements such as pushing, pulling, twisting, lunging and squatting. FreeMotion is a safe, simple and fun way to train the body, not only the way it is designed to function, but the way it is required to perform everyday.



**FreeMotion Incline Bench**

About FreeMotion Fitness, Inc.

FreeMotion Fitness, Inc., the commercial division of ICON Health & Fitness, is the leading provider of cutting-edge fitness equipment that changes the way people exercise. FreeMotion Fitness' comprehensive offerings include FreeMotion strength products (selectorized and plate loaded), NordicTrack Commercial Cardio products, the FreeMotion Group, Personal Training and Circuit programs, and a Free Weight line. FreeMotion Fitness has placed its equipment in more than 1000 domestic facilities and in more than 40 countries worldwide since its



**NordicTrack Incline Trainer**

inception in 1999. For additional information on FreeMotion Fitness, please visit our web site at [www.freemotion.com](http://www.freemotion.com) or call us toll free at: 877.363.8449.

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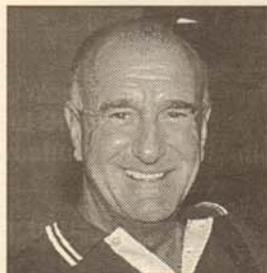
# IHRSA 2002 Parting Comments

We spent the Sunday morning after the IHRSA Convention and Trade Show in the Hyatt Phoenix lobby talking with IHRSA 2002 Convention attendees for their impressions of it all. Here are the comments of those we had a chance to speak with.



**ALEXIS TYSON**

**ALEXIS TYSON - Personal Training Manager - Boston Athletic Club** - "I work with Patty Dailey. We are preparing to meet in just a minute to discuss our experiences. This IHRSA 2002 was very educational. It was high energy. We learned a lot. There were great general sessions. All of the speakers gave us valuable ideas to take back with us. Things like dealing with customers, trusting each other, being open and honest with your members, and staff, so they can take responsibility for things. There was great networking, great partying. I went to IHRSA two years ago in San Francisco and I think this convention was much better."



**MALCOLM CHAMBERLAIN**

**MALCOLM CHAMBERLAIN - United Kingdom** - "I've attended a number of the IHRSA events and this is the best one I've been to in years. It is good to see that the

Trade Show has grown to be so strong. I was very pleased with it. It is good to see all the new innovations. I am a club owner of a club called Roko. From the speaker side, it was good to see the fresh faces here. I picked up a number of fresh ideas that I know I can use to make more money. And, if you pick up just one really good one, it is worth the entire trip. The other thing is you should never underestimate the value of the networking opportunities. The networking is fantastic and its worldwide now. Scandinavian, South American, American, English, Canadian. Everybody is networking and talking and sharing experiences. If nothing else, I'd come for that alone. There is simply no way to place a value on just the networking aspect of this amazing event! I was here to shop for new equipment and I will be buying Life Fitness equipment, as in the past, for a few more years as well."



**PAUL BROWN**

**ANNE - Group Fitness Coordinator - Fitness First - Australia** - "The Convention was exciting. Coming from Australia, it was my first trip to IHRSA. The biggest impact on me was the quality of the presenters and the excellent way they delivered their lessons. Such a high standard. The people were fantastic. That's really important. People were very generous in their discussions. There was a lot of networking. That was a great benefit to me. I made some nice friends."

**JENNY DUAX - Membership Director - Alaska Clubs** - "One of the things I

really enjoyed was getting to meet the people that had been in the industry for years as well as people that were new to the industry. It gave me the opportunity to refresh my thoughts on how I felt about the club. Mostly because I did get to meet with those that have been around for a long time. And, it was fun meeting the new people who have all that fresh energy, so that was great too."

**PAUL BROWN - Owners - Face-To-Face Fitness Systems** - (A member retention program for clubs) - "The show was absolutely brilliant. Every IHRSA is a great chance to meet with the leaders of the industry and find out what is going on - on every level. It is a great way to network. We're Australians living in England. We're always seeking to find out what is going on in the "Hub of the Industry" America."

**CHIP DENNISON - Membership Director - Alaska Clubs** - "I was impressed at how international the convention was. I know it is the International Health, Racquet and Sportsclub Association, but we are up in Alaska and sometimes we are isolated and we try to think in terms of the scope of the U.S. It was even bigger than that. There were so many people from around the world, that was something really nice that I was not expecting."

The adjectives best, new, fresh, fantastic, amazing, high, trusting, great, extremely, terrific, refreshing, fun, bigger, exciting, excellent and absolutely brilliant are the words of a few of the attendees at IHRSA's 21<sup>st</sup> Annual Convention and Trade Show. These people came from far and wide to this world class event and all benefited greatly from it.

The key for each person is to go back home and make a renewed, fresh, re-energized start using the knowledge and experienced gained in this intense and action packed four days. Oh yes. Just one other thing. Tell your friends in the industry far and wide that if they are not IHRSA members that they should be. And, if they did not attend the convention, they should next year.

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## Life Fitness and Hammer Strength Roll Out New Products At IHRSA 2002

**PHOENIX** - March 7, 2002 - Life Fitness rolled out a number of new products including a new universal console and new, advanced workout programs for its commercial Lifecycle upright and recumbent exercise bikes, total-body elliptical Cross-Trainers and stairclimbers, three new commercial upright Lifecycles and three new stair climbing machines.



**New 9500 HR Upright LifeCycle**

"With the introduction of the universal console and cutting-edge workout programs, our cardiovascular products are even easier to use," said Lisa Nowak, Business Manager, Commercial Total-body Elliptical Cross-Trainers. "The new console has an intuitive design, and our advanced programming offers users more innovative workout options. Together, they provide optimal convenience for exercisers because they can learn how to use one machine and simply jump on our other cardiovascular products and start working out."

### User-Friendly Design

The new console is extremely user-friendly with an intuitive design and minimum number of keystrokes required to get started. Based on the results of a field research study, Life Fitness grouped the buttons used most often close together for convenience.

For even more variety and personalized workouts, on-the-fly programming lets users change from one program to another at any point during their exercise sessions without

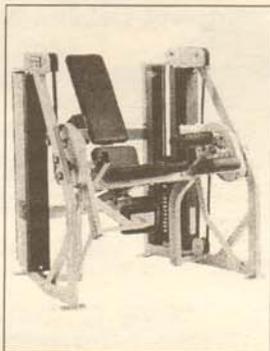
losing accumulated data such as time, calories, distance, etc. The universal console and new programs now are available on the commercial Lifecycle upright exercise bikes, total-body elliptical Cross-Trainers and stairclimbers and will be available on the commercial Lifecycle recumbent exercise bikes in August.

### Three New Lifecycle Upright Bikes Unveiled

New Lifecycle bikes continue a 30-year heritage of setting the standard with the introduction of three new commercial Lifecycle upright models: the 9500HR, 9100 and 8500.

"With its 30-year heritage and more than 500,000 units produced, the Lifecycle exercise bike continually has set the standard for stationary cycles," said Steve Coates, Life Fitness Business Manager, Commercial Bikes. "Complete with a new design and numerous benefits based directly on suggestions from our customers and users, these new models really make the best even better."

For more convenience, the bikes are equipped with Life Fitness' new universal console, which sports an integrated reading ledge and lower console, enabling users to simultaneously view program profiles - make changes if necessary - and read. The universal console will be standard on Life Fitness' commercial Lifecycle upright and recumbent exercise bikes, total-body elliptical Cross-Trainers and stairclimbers.



**Hammer Strength MTS Reciprocating Leg**

### More Challenging Rides and Enhanced Durability

Even the toughest riders now will be challenged on the 9500HR bike with its 21-25 levels and up to 500 watts of resistance. The Poly V belt drive system gives a smooth, quiet ride and never requires lubrication, and all of the new Lifecycle upright exercise bikes can accommodate users up to 400 pounds.

The 9500HR and the 9100 units include a two-year warranty on electrical and mechanical parts, while the 8500 model has one year on electrical and mechanical parts. Available immediately in the United States, the 9500HR is priced at \$2,999, the 9100 at \$2,599 and the 8500 at \$1,799 (all are list prices).

### New Independent Stairclimbers Now Available

Life Fitness also introduced a new line of independent stairclimbers - the 9500HR, 9100 and 8500. Sharing the same aggressive, industrial look of Life Fitness' family of commercial cardiovascular products, the new units are the company's first independent stairclimbers and replace its dependent models.

"Our customers told us they prefer an independent stairclimber, and we have used new technology and precise biomechanics to deliver the optimal exercise experience people expect from Life Fitness," said Julie Starkel, Business Manager, Commercial Stairclimbers, Life Fitness. "These new independent stairclimbers complement Life Fitness' complete line of leading commercial cardiovascular products and provide numerous features and benefits for club owners and members alike."

### Features That Keep Users Stepping

For workout variety and motivation, the 9500HR,

9100 and 8500 stairclimbers are equipped with the latest technology. With 20 levels of resistance, a vast selection of workouts and the ability to climb from two to 13 floors per minute, the stairclimbers are ideal for exercisers of all fitness levels.

All the programmed workouts on the stairclimbers are accessible through Life Fitness' new universal console, which boasts an integrated reading ledge and lower console display area so users can simultaneously read, see their workout profiles and make necessary changes to time and intensity. The new console now is standard on the company's commercial total-body elliptical Cross-Trainers and Lifecycle upright exercise bikes and will be available on the commercial Lifecycle recumbent exercise bikes in August 2002.

For additional convenience, 9500HR and 9100 exercisers can change from one program to another during their workout sessions without losing any accumulated data such as time, distance and calories with on-the-fly programming.

Standard on the 9500HR and 9100 models (optional on the 8500) is a dual-pocket accessory tray for storage of water bottles and personal stereos. The stairclimbers are cordless so they can be placed anywhere in a facility, allowing floor space to be maximized.

### Hammer Strength Introduces Unique Motion Technology Selectorized Reciprocating Leg Machines

Hammer Strength introduced two unique machines in its Motion Technology Selectorized (MTS) strength training line: the Reciprocating Leg Left and the Reciprocating Leg Right. The machines are unlike anything available today.

Using dual weight stacks and Iso-Lateral movement arms, the MTS Reciprocating Leg Left and Reciprocating Leg Right require



**Life Fitness Universal Console**

one leg to perform a leg extension while the other leg simultaneously performs a leg curl, thereby challenging the quadriceps and hamstrings of opposing legs at the same time.

"Hammer Strength has a history of product innovation, and these machines are opening the door to a new way of strength training," said Greg Highsmith, Senior Business Director, Strength Products, at Life Fitness. "The new MTS Reciprocating Leg equipment is a revolutionary option that helps bridge the gap between muscle isolation and pure functional strength training."

Available now, the Hammer Strength MTS Reciprocating Leg Left and Reciprocating Leg Right are listed at \$3,199 each.



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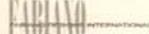
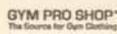
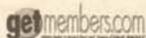
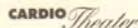
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## Tennis Corporation of America's Executive Management Team Comments

During our interview with Alan and Steven Schwartz they emphasized the importance of their Corporate Management Team and the role it plays in making the company successful. They also praised and gave special recognition to the important role of TCA's General Managers and Department Heads out in the clubs around the country. We were in contact with some of the key TCA Management Team members about the feelings they have about their jobs and their comments are shared below. Thanks to each team member for taking the time to share their feelings with us.

**DOUG CASH**—Chief Operating Officer—Supervises 2,100 people

(Q) Describe your feelings

about the TCA Management Team you work with?

(A) •Good people •Hard working •Fun loving •A family away from family •Caring •Smart •Accountable

(Q)What is your greatest challenge in your job?

(A)Making sure that the right people are in the right position.

(Q)What aspect of your job do you enjoy the most?

(A)Teaching and coaching others to become better business people. Sharing philosophy with them and then getting out of their way to let them do their jobs.

**DEBRA SIENA**—Regional Vice President—Supervises close to 1,000 employees.

(Q) Describe your feelings about the TCA Management Team you work with?

(A) One of TCA's greatest strengths is that we work as a team to support and grow the company. TCA employs many individuals who are leaders in their fields and have unique individual strengths. By bringing together this talent, we make it a team effort to overcome the challenges of doing business with a concerted effort. We are able to share best practices to learn and grow together.

(Q)What is your greatest challenge in your job?

(A)The greatest challenge I face is to continue to be innovative with each individual club so that they may progress each year to meet both the challenges of TCA's projected goals as well as to stay leaders in our growing industry. This involves keeping a finger on the pulse of our memberships while trying to stay ahead of the competitive curve.

(Q)What aspect of your job do you enjoy the most?

(A)There are several aspects of my job that I enjoy. I like the entrepreneurial spirit of TCA that allows me to bring new ideas to fruition for the company. I enjoy making things happen and seeing the results develop over the years. I also truly enjoy working with the terrific teams at each club.

**FRANK NUSKO** Chief Financial Officer—Supervises 25 employees.

(Q) Describe your feelings about the TCA Management Team you work with?

(A) I would say that the group I work with on a daily basis is a dedicated, hard working, competitive, fun loving group of individuals. Our motto is to work hard but have fun, and it is truly is the case. We all have our competitive juices flowing but we all know each other well enough to put our egos aside and let the other do their thing in their area of expertise. We trust one another. We can argue and disagree on a topic but we don't hold a

grudge against each other, because we are all working for the same cause. We like to say that we all bleed TCA blood. We also have a great leader at the helm, in Steve, and I am not just saying that to suck up!! Managing the group of us is like a chess match and he knows what piece to play, most of the time. He has a great read of people. I also believe he is one of the smartest people I know, Ok now I am sucking up a little, but it is true.

(Q) What is your greatest challenge in your job?

(A) Analyzing the financial statements and looking for trends, cost savings ideas, preventing potential problems before they occur, assisting the clubs to be more efficient, profitable, etc. I am in the game for the long haul, so I need to keep us in 'shape', so to speak.

(Q)What aspect of your job do you enjoy the most?

(A)Analyzing the financial statements. You could say numbers are my life! If I can see trends coming far enough in advance we can take corrective action to prevent or minimize potential problems. I really enjoy helping the clubs save money, or finding more efficient ways to get something done.

**JOHN HARRIS**—Regional Vice President—Supervises 400 employees.

(Q)Describe your feelings

(A)I am very fortunate to work with a group of such professional, passionate, motivated, supportive, and talented people at TCA. I have worked for several club companies in my career. I have enjoyed and learned from all of those experiences, but TCA's culture and environment is the most inspiring and focused. As a team, we maximize our collective talents, but understand the value of our individual strengths as well. We may not always agree, but at the end of the day, we're a better company and employer because we value what each person in our company brings to the table.

(Q)What is your greatest challenge in your job?

(A)Finding the perfect blend between sales performance, operational excellence, and solid fiscal management for the long term. Many clubs succeed in one, maybe two of these areas. It's challenging to be successful over the long run in all three. Coaching to maximize these three results is also very fun for me.

(Q)What aspect of your job do you enjoy the most?

(A) I truly love the fact that I get to work every day with people who really care about what they do, who they do it for, and why what we do is so important. Making a difference every day, no matter how small, is so worthwhile.

Norm Cates

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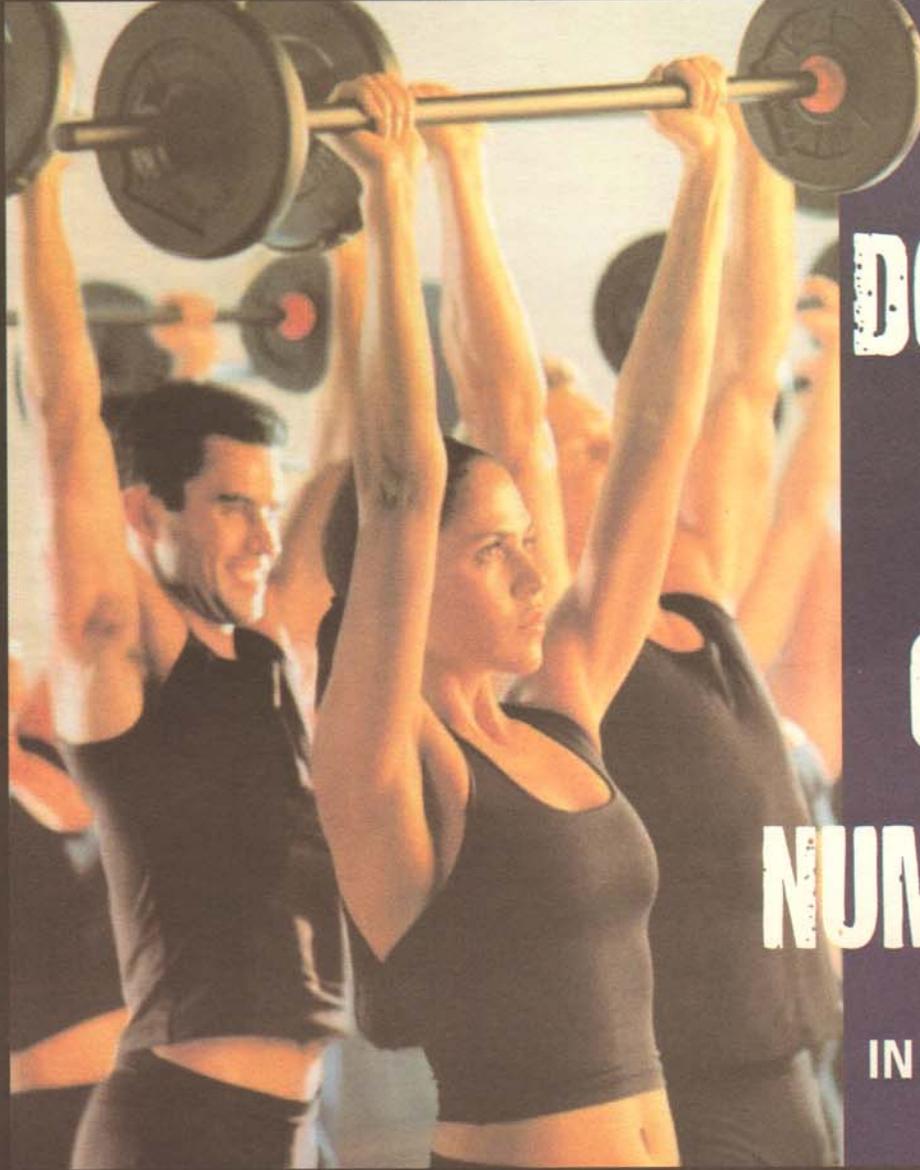
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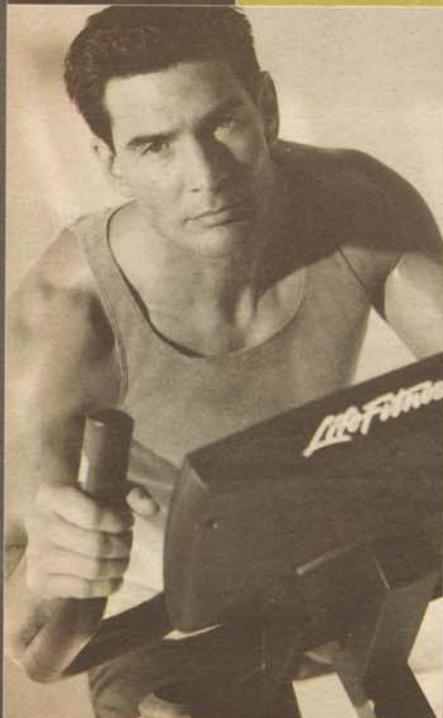
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