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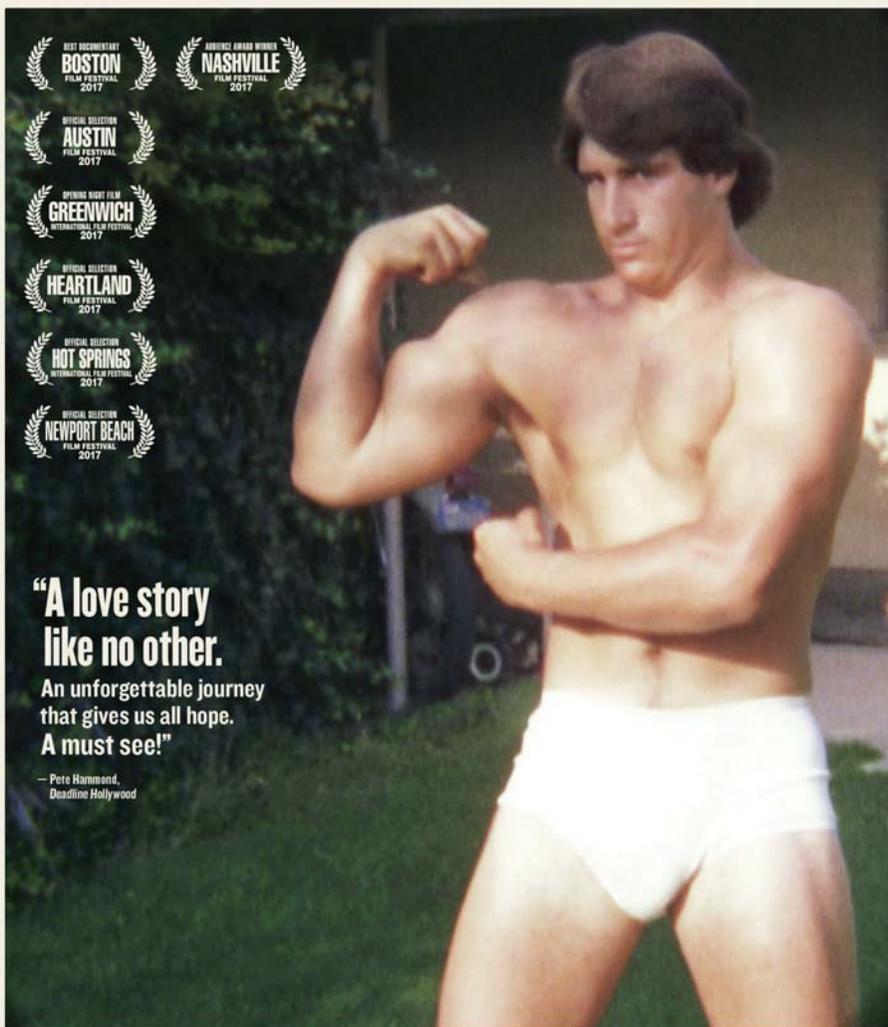
CLUB INSIDER

CELEBRATING 25 YEARS OF TRUST

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Augie

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MARCH 2018

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Norm Cates'

CLUB INSIDER

CELEBRATING 25 YEARS OF TRUST

AUGIE

By: Justin Cates

Augie Nieto is a man who needs no introduction. From the early days of Life Fitness to today, on the verge of bringing Augie's Quest across the finish line of finding the cure for ALS, Augie is pure and simply a warrior for good. As its leader, Augie's Quest has become a veritable force that truly proves the concept of strength in numbers. The strength of the numbers in our industry has become visible to many outside our circle, and with the cure for ALS, it will become visible to all, opening doors this industry never could have imagined.

As history has shown, every great leader has an incredible partner in life who stands side by side with him through anything and everything that comes. Lynne is that to Augie. Augie is that to Lynne. Together, I believe it is safe to say that Augie and Lynne have accomplished more than even they could have imagined, and it is beautiful.

This month, we are excited to present you with an updated and very timely cover story about Augie's Quest. The drug **AT-1501**, which has shown very encouraging results in lab animals, is set for human trials, but more funding is needed to push this through. To produce these funds, Augie's Quest has continued to expand its initiatives, and thus reach, across our industry, across the world.

To fully delve into this immense topic, this month, you will hear from a slate of interviewees who are key to these thrusts. They are:

■ **Lynne Nieto**, the "Voice" of Augie's Quest;

- **John McCarthy**, Chair of The BASH for Augie's Quest;
- **Kevin McHugh**, COO of The Atlantic Club;
- **Jim Worthington**, Owner of The Newtown Athletic Club;
- **Larry Conner**, General Manager of Stone Creek Club & Spa.

I urge you to read on because you don't want to miss anything these industry leaders have to say about the cause that is Augie's Quest. Then, if you are not already involved, I sincerely invite you to join the effort!

An Interview With Lynne Nieto, the "Voice" of Augie's Quest

Club Insider (C.I.) - Lynne, though I am sure it is always difficult, can you take us back to the moment of diagnosis and what that feeling was like?

Lynne Nieto (LN) - I can remember it like it was yesterday; I still tear up at the memory. It was the 'before and after' moment that I had always heard about.

Augie had told me that he felt weaker and thought something was wrong. He was having some difficulties in business being about a year into his second start-up, *Colorado Weigh*, and he was facing shutting it down vs. losing other investors' money. I thought he was just reacting to the stress of that, but I should have known that someone like Augie, who knew his body so well, was right. After two days at the Mayo Clinic in Scottsdale, we were sent home for the weekend and asked to return the following Monday. We both knew something was terribly wrong! When we



Augie and Lynne Nieto

were finally called back in to meet with the doctor, I felt like I was walking into the office through quick sand! Time slowed down, and I couldn't believe what I was hearing. I couldn't stop crying, and Augie just stared into space.

C.I. - Prior to Augie's Quest, things were tough for Augie to accept this new chapter of life. Please take us through that and how things changed to create Augie's Quest.

LN - After our diagnosis, we came home to tell our family and friends. Augie stopped eating and sleeping, and he basically didn't function for three months. At the same time,

I went into 'tasking mode' trying to figure out how to make our beautiful home, which perched down the side of a cliff, accessible for a wheelchair.

Then, the morning of Memorial Day, I turned over to find Augie next to me asleep, and I was relieved. A few minutes later, I realized that he was unconscious and called 911, having found pills spilled on the floor in our closet. The nightmare was continuing, and in many ways, I was resigned to losing my husband.

Augie awoke three days later in the hospital - happy to have failed - happy (See **AUGIE** Page 10)

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■ Exercise IS Medicine! - By: Shannon Malooly

■ No & Low-Cost Marketing - Does It Still Exist? - By: Casey Conrad

■ Dinosaurs... - By: Thomas Plummer

■ Data Breach Protection and Actions to Take Should One Occur - By: Paul R. Bedard, Esquire

■ Stop the Bleeding - By: Michael Gelfgot

■ Eleven Predictions for the Fitness Industry in 2018 - Part II - By: Stephen Tharrett and Mark Williamson

■ How to Skyrocket Sales in Your Gym Immediately! - By: Jim Thomas

■ Planet Fitness Franchisees Join Forces to Focus on Member-first Culture and Accelerated Growth

■ Town Sports International Holdings, Inc. to Acquire Total Woman Gym and Spa

■ And, of Course, *Norm's Notes*

Norm's Notes

■Hello Everybody! This is your Club Insider Publisher and Tribal Leader Since 1993 Checking In!

■Is America a great country, or what? Each month, when the time comes for me to write these Norm's Notes for y'all, I always think to myself: "Self... what are you going to write here today that will (A) Be HELPFUL to our readers, in their day-to-day club operations, and (B) be something that's really interesting so you won't just read it yourself, but you'll also pass it on to your friends and associates in our wonderful industry?"

First, let me say CONGRATULATIONS to any and all Olympic Medal Winners from all countries that might have the opportunity to read this. IF you have an Olympic athlete at your club, would you please show them this: "Congratulations to you for the gigantic achievement in your life of being an Olympian. You should be extremely proud of what you've achieved, and so should your country no matter where you are or whether you got a medal or not! CONGRATULATIONS to Olympians everywhere!"

Second, speaking of being helpful... we have a terrific Cover Story this month by my Son and partner, JUSTIN CATES, about Augie's Quest. This very special Cover Story is an amazing story that we're doing in honor of Augie's 13th year of survival with ALS,

AND to remind you to attend the Augie's Quest Bash on March 23rd in beautiful San Diego. I urge you to read it beginning on Page #3, and within, you will hear from LYNNE NIETO, JOHN McCARTHY, KEVIN McHUGH, JIM WORTHINGTON and LARRY CONNER, as they all share their thoughts on Augie's Quest, which by now, amazingly has raised over 100 million dollars for research to find the cure for LOU GEHRIG'S Disease (ALS). I want to urge you to attend the Augie's Quest Bash on Friday Night, March 23, 2018 at the 37th Annual IHRSA Convention in San Diego.

■Speaking of Augie's Quest, don't miss AUGIE, the documentary movie. As LYNNE NIETO reports on Page #10 of this month's cover story:

"After a year on the Film Festival circuit, winning in both Boston and Nashville, we are releasing *Augie* in March. For your readers in New York or Los Angeles, they can see *Augie* in theaters: *Laemmle Music Hall in Los Angeles* and *Cinema Village in New York*. Following the theatrical release, *Augie* can be rented or purchased on iTunes at apple.co/Augie or Amazon at amazon.com/Augie-Nieto/dp/B079VW9PWK."

■I have asked my son and business partner, JUSTIN CATES, to write the following Norm's Note because he recently traveled to New Orleans, Louisiana to

attend Stone Creek Club and Spa's Rock 'n' Roll Half Marathon events to raise money for Augie's Quest. Justin wrote:

"With perfect timing in preparing this month's cover story, LARRY CONNER, General Manager of Stone Creek Club & Spa, invited me to attend a real-deal New Orleans Crawfish Boil for team members and sponsors of Stone Creek's Rock 'n' Roll Half Marathon Team. Located about 45 minutes north of New Orleans across Lake Pontchartrain and the longest bridge in the world, Stone Creek is an absolutely incredible facility, and the words I wrote in our May 2013 Cover Story do not do Stone Creek justice. Along with LYNNE NIETO, SHANNON SHRYNE (Executive Director of Augie's Quest) and several Stone Creek vendors, my time there began with a tour given by Stone Creek's STEPHANIE COULON. The tour concluded at the outdoor pool deck where Larry was manning several very large pots of crawfish.

As the sun began setting, team members and sponsors, who were all wearing red team jerseys, temporarily moved to the outdoor tennis courts where they spelled CURE by laying down on the playing surface. A drone captured their creation. While the Stone Creek team was doing this, MARVIN GRESSE, Stone Creek's Assistant General Manager, was kind enough to give me a jersey to wear for the night and to take home with me. Then,



Norm Cates

it was time to eat! There were six tables of crawfish, which were refilled throughout the night as Larry prepared more and more. There was also an incredible grilled Oyster bar. I have no shame in saying I must have eaten at least 25 crawfish, after I got my peeling technique down, of course, as well as half a dozen oysters.

Moving later into the night, Larry began his presentation. He thanked the team members and sponsors, and he announced they had raised \$34,000 with this inaugural experience. Given the incredible number of substantial fundraisers Stone Creek already does for a myriad of causes, adding this amount is a true testament to

(See Norm's Notes Page 7)

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CELEBRATING 25 YEARS OF TRUST

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Exercise IS Medicine!

By: **Shannon Malooly**

I, along with 1.4 million other people, follow a non-profit organization on Instagram: @discoverocean. I am in complete amazement with each post. The life that lies beneath the sea is incredible. The movement, fluidity and life that exits

made me realize something: Nothing about the ocean is still. There is constant movement. The ocean and the life beneath never cease. Even an idle piece of reef life is in motion, drifting and flowing against the current.

This past spring, I was visiting my sister in the Seattle area, and we hiked

through Kopachuck State Park. During low tide, we witnessed literally thousands of sand dollars that were just beneath the surface. Sand dollars are not just white shells that are used for coastal living décor. They are complex creatures in constant movement. Their shell surface is covered by millions of fuzzy cilia, which they use to move, to eat, to survive. Even the shells in the sea move to survive. Their movements from far may appear minuscule, but their function is great. Like people, sand dollars must move to subsist, for their safety and for procreation.

The human body is no different. Our bodies were meant and designed to move. Even in-utero, the body is in constant motion, building muscle, stimulating the nervous system and developing. Static, lack of motion and stillness is beyond detrimental to the human body; it is unnatural and lethal.

Regardless of your opinions of Western Medicine vs. Eastern Medicine or even Holistic vs. Integrative Medicine, one thing is for certain, all forms of medicine can agree that exercise and movement are vital to life. It is the lack of exercise that most often leads to distress and disease, and therefore, the implementation of exercise is the logical treatment thereafter. Preventative exercise shouldn't even be a thing. Moving is something that should be happening all day long, every day.

Watching my 5-year-old daughter and my 2-year-old niece that day at Kopachuck State Park was like watching the awesome Instagram ocean videos. They were digging in the mud to make discoveries, jumping and splashing in the tide, racing across the sand and moving.

Movement and exercise is in us, we were born with it. Our desire to run and play is inherent, and somewhere along the way, we lost not only that emotional need to move, we trained our own bodies and our children's bodies that sitting still and being quiet was what we should do instead. Can you imagine how absurd it would have been for me to tell my daughter to stand still and be quiet that day at the beach?

This cycle of motionlessness is snowballing. The less one moves, the less they want to move, the more it hurts to move and the harder it is to move again. Our motivation and desire decrease, and the dichotomy is that, by being so slow, we rapidly deteriorate and make ourselves physically and mentally unwell.

By now, the term *Exercise IS Medicine* should be one that is spoken routinely amongst your family, your associates and in your clubs. But, beyond the adoption of this simple jingle, I think it is important to think of exercise as an



Shannon Malooly

eraser, a second chance of sorts. Exercise can undo what we have done to ourselves. Beyond the extra pounds, exercise can revitalize our youthfulness, lubricate joints, relieve aches and pains, reduce stress, reduce blood pressure, lower cholesterol and the list goes on and on.

That day, as we got muddy and wet, I laughed to myself, "Oh, to be a kid again!" And, suddenly, I was! I jumped and splashed in the tide, we dug and dug until we finally caught the elusive sand crab we'd been after. We raced back to the shore before the waves could catch us, and I carried that muddy 5-year-old on my shoulders over the rocks when she got tired. It's amazing that I was so exhausted yet so energized at the same time and how running, jumping, climbing and carrying heavy things, which are things that I may consider taxing, could be so fun. Exercise was true medicine for my soul.

Get up, get moving, play and be a kid today, just for a little bit. It will do your body good, I promise.

(Shannon Malooly has been in the club industry for over ten years as a health professional and is currently the Membership Sales and Marketing Director at The Claremont Club in Southern California. Shannon thrives off of thinking outside the box and creating conversational marketing pieces. She's sees opportunity for growth in all areas of the club business and believes that there is a branding opportunity around every corner. Shannon hopes to inspire others to be creative, thoughtful and brave in their business and marketing choices, and she believes the best is yet to come.)



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...Norm's Notes

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the generosity of their membership and the dedication of Stone Creek's staff. Following Larry's remarks, Lynne Nieto spoke to the crowd and expressed her and Augie's always constant admiration and thanks for what this industry is doing for Augie's Quest and all those stricken with ALS. The program concluded with the presentation of a birthday cake and singing of *Happy Birthday* to **KEVIN McHUGH**.

My evening concluded with a 45-minute ride back to New Orleans metro, along with **LYNNE NIETO, SHANNON SHRYNE, ANGEL MOSER, KEVIN McHUGH** and Kevin's daughter, **MOLLY**. Needless to say, and without going into any details, being a fly on the wall for the conversation on the way back was incredibly informative. The level of love everyone has for this cause and those whom it helps cannot be adequately expressed. But, let me tell you that the future holds truly exciting developments, and you will hear all about them right here in **Club Insider!**"

■ In addition to more **Rock 'n' Roll Half Marathon events**, coming soon is another thrust for **Augie's Quest** called the **1501 Challenge**. **KEVIN McHUGH, COO of The Atlantic Club**, sent a great update about this initiative, and you can view it on **Page #27**. Participate today, and **take the final stand against ALS!**

■ **Congratulations to BEN MIDGLEY and his Crunch Franchising Team** (See the **New Crunch Ad** on the **Page #5**) as they've been named as **Franchise Business Review's 2018 Best-in-Fitness Category**. This high honor follows a year of tremendous growth that pushed **Crunch past the million member mark and into more than 250 locations across 24 U.S. states, Puerto Rico, Canada, Australia and Spain!** This independent survey demonstrates the brand's ability to continually offer a market leading health club experience to consumers while providing a rewarding and consistent business experience to franchisees.

Here's a portion of what the *Franchise Business Review* people had to say:

"This independent survey of franchisee satisfaction is one of the only rankings and awards for franchise companies based solely on actual franchisee satisfaction and performance. *Franchise Business Review* publishes its rankings of the top 200 franchises in its annual **Guide to Today's Top Franchises**. Crunch Fitness was among 334 franchise brands, representing over 30,000 franchise owners, that participated in *Franchise Business Review's* research. Crunch's franchisees were surveyed on 33 benchmark questions about their experience and satisfaction regarding critical areas of their franchise

systems, including training & support, operations, franchisor/franchisee relations, and financial opportunity."

"We have been fortunate enough to be a five-year recipient of the FBR 50 Franchisee Satisfaction Award, but this is the first time we have been rated as number one," said **BEN MIDGLEY, CEO of Crunch Franchising**. "We want to sincerely thank our great network of owners for the hard work they put in each day and for their open and honest feedback. We are thrilled to be receiving this award and to be number one in the Fitness industry."

Don't miss the new **Crunch Franchising Ad** on **Page #5**, and for more information on becoming a franchisee, visit **www.crunchfranchise.com** or call **(800) 669 - 7162**.

■ Writing previously about **CRUNCH Franchising's honor**, I want to follow that up with a, "**Hello and Congratulations,**" to my old friend, **GEOFF DYER, who along with his partners, VINCE JULIEN, TONY SCRIMALE, JEFF DOTSON and KEVIN LA FERRIERE** recently announced the purchase and conversion of a **3-floor, 23,000 square-foot former LA Fitness** to a **Crunch Fitness facility in Clearwater, Florida**. This group has **over 100 years of industry experience**, and jointly, **they've opened over 100 gyms (various brands)**. The group currently operates **thirteen Crunch clubs throughout Atlanta and Tampa**, and they plan to open seven more by year end, including expanding into **Orlando**.

Geoff Dyer, VRJ Holdings President, industry veteran, and IHRSA's 21st President, commented: "We love the Crunch value proposition for our members. Where else can you join a \$2 million gym for only \$9.95 month? On top of that, we love how Crunch, this iconic brand, has matured into the home of 'No Judgments,' and we can't wait to welcome Clearwater residents to the Crunch brand and all it has to offer."

■ **Welcome back to RUDY FABIANO, Founder and Owner of Fabiano Designs**, as he's returned as a **member of our Club Insider Advertising Team**. Check out **Rudy's New Ad to The Right**.

■ This encouraging news from IHRSA: **Health Savings Accounts Bill Includes PHIT - Help Pass It!**

BOSTON, MA - Congressman Mike Kelly (R-PA) has introduced the **Bipartisan HSA Improvement Act (H.R. 5138)**. This Health Savings Accounts (HSA) reform bill bundles a number of HSA bills, including and most importantly to the health and fitness club industry, **the PHIT Act!** This HSA reform bill is now the best vehicle for getting PHIT included in the omnibus spending bill. **Put simply, PHIT will pass if the omnibus spending bill includes the HSA bill**. Help make sure that the omnibus spending bill includes HSA Reform bill (H.R. 5138). Ask

your member of Congress to include H.R. 5138 in the omnibus spending bill. But, don't stop there. Ask your staff, your friends in the industry, even your members to take action.

Why is this such an exciting opportunity to pass PHIT? Rep. Kelly is committed to pushing for this HSA bill to be part of the next omnibus spending bill, and as a member of the *powerful House Ways and Means Committee*, he is well positioned to get the bill included. By packaging PHIT into a larger HSA reform package, a broader coalition of business groups are pushing for passage, to include

the U.S. Chamber of Commerce, The ERISA Industry Committee and America's Health Insurance Plans. That's a lot of additional lobbying power!

The substantial bipartisan support for PHIT --110 in the House and 15 in the Senate-- is a strength that will help carry the entire bill. Thank you for all your help in getting us to this point. Don't stop now. Just keep thinking: **PHIT will pass** if the omnibus spending bill includes the HSA bill. If you have comments or questions, please contact **JEFF PERKINS, IHRSA's Assistant Vice President of Government** (See *Norm's Notes Page 8*)



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...Norm's Notes

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■As I wrote last month, IHRSA's Conventions have been flawless in my view, and to be more expressive, certainly the late **BILL DUSOR** deserved a large portion of the credit for that. But folks, what I failed to do in my Norm's Note writing last month about Bill Dusor passing away was to say that **BIG JOHN McCARTHY** also deserves a lot of credit, for hiring Bill many years ago. So, to you **BIG JOHN**

McCARTHY, my good friend of nearly 40 years, I say: **Great JOB!** It was my bad that I didn't say those exact words to you in that Norm's Note last month. That **Norm's Note** was a **sincere effort** to do good by saying, "Great JOB!" to **JOE MOORE** and the entire IHRSA Team, of which you're **THE LIFETIME NUMERO UNO IHRSA Team Leader!** God bless you and again, **Great JOB, Big John**, for **ALL you have done for ALL of us!** AND, for **AUGIE's QUEST** since you retired from IHRSA after 25 years.

■Folks, please be sure to allocate adequate

time to walk the entire IHRSA Trade Show this month because you will find a whole new world of ideas and opportunities to make your club business better. In particular, please make a note to drop by our **Club Insider Advertisers** who're exhibiting at IHRSA San Diego. Here's the list of their Exhibit numbers for you:

Club Insider Advertisers Exhibiting at IHRSA 2018

Company Name	Exhibit #
Club Industry	#308
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IHRSA	#3531
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Iron Grip Barbell Company	#1624
reACT Strength Trainer	#321
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Workout Anytime Franchising	#321

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

■Speaking of CONVENTIONS and TRADE SHOWS, be sure to make plans to be in Chicago for the 2018 Club Industry Show! This message is from the Club Industry folks:

Don't miss the energy and excitement of the Club Industry Show. Register now at the lowest rate (even lower than early bird rates!) to gain **FREE** access to the Exhibit Hall. This is one value-packed event that you cannot afford to miss:

- Meet with the world's leading fitness suppliers and see their extensive product lines and services.
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- Connect with industry leaders, colleagues and clients.
- Attend networking events and education sessions related to your specific business needs.

We are confident that you will love our conference lineup. As a reward for that confidence, if you register by **May 31st**, we'll provide you with the lowest price available of **\$295 on an All-Access Pass**,

but this offer expires **May 31, 2018**.

Folks, I urge you to go to www.clubindustryshow.com and register right away!

■**JOE SYUFY**, Founder and CEO, announced the **Grand Opening of VillaSport San Jose** on Monday, March 5, 2018. Congratulations to Joe and his VillaSport Team. The **Grand Opening Ribbon Cutting Ceremony** included such local luminaries such as **LAN DIEP**, San Jose Council Member; **MATT MAHOOD**, Silicon Valley Organization CEO; and of course, **Joe**, who addressed the crowd with the comment: "This feels like an Oscar!"

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

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

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

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- Private Health Club Owner Client of Two Sites in the Midwest, U.S.

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...AUGIE

continued from page 3

to be alive!

That was the turning point for Augie. He knew he had to do something to change the course of the disease that was rapidly robbing him of his movement. Never in a million years did we think that our efforts would help Augie, but we had to do something with this devastating change in our lives.

Augie intended on raising funds needed for finding treatments, and ultimately, a cure for ALS. He used his fitness industry relationships, as well as his business relationships, to raise the funds. Now, he needed to identify the best place to invest those funds. After a lot of research and expert advice, he identified the ALS Therapy Development Institute (ALS TDI) as that place.

C.I. - Now, 13 years later, Augie's Quest has become a veritable force for good in the fight against ALS. Can you take us through the various annual fundraising initiatives that have created such incredible results?

LN - Our largest fundraiser is *The Bash*, held every year on the last night of IHRSA. This year will be our 13th! This is supported by the entire fitness industry. There are many in-club initiatives during the year that contribute to this evening, as well as our endurance program where we partner with *Rock 'n' Roll 1/2 Marathons*. Our biggest surprise from last year was Orangetheory Fitness' 'I Burn for ALS' campaign, which raised over \$2 million in their first year!

We also have our 'Gala' in the fall of each year, which is in Southern California and is an honoree-driven event. And, we also have multiple golf tournaments throughout the year.

C.I. - What is the updated fundraising total to date?

LN - As of 2017, Augie's Quest has raised

over \$60 million for ALS research. At the end of March, we plan on adding several millions to that total thanks to fundraisers happening right now, including the BASH at IHRSA and in-club events happening at Orangetheory Fitness, Crunch Fitness, LA Fitness, Active Wellness and Stone Creek Health Club and Spa. In addition, under Augie's leadership as *Chairman of the Board* of the ALS TDI has raised an additional \$50 million to bring our overall total to \$110 million.

C.I. - The relationship with ALS TDI is one that has great implications, not only on curing ALS but the process itself for curing other diseases in the future. How did this relationship first come about?

LN - A good friend of ours, Rob Rodin introduced Augie to Jaime Heywood, who started the ALS Therapy Foundation after his brother Stephen was diagnosed with ALS. After much due diligence, Augie felt this was the best bet for actually finding treatments and a cure for ALS. He took over the chairmanship, renamed it the ALS Therapy Development Institute and brought in a new business-based board.

C.I. - What is making ALS TDI so effective in terms of transforming fundraising dollars into actual research?

LN - Augie has approached conquering this disease with the same determination that catapulted him to entrepreneurial heights in the fitness world. He runs ALS TDI like a business, and he treats his donors as investors. We have the finest, most dedicated minds in the world working on a shared problem: how to develop effective treatments, and ultimately, a cure for ALS.

C.I. - What is on the horizon for human trials of potential ALS treatments?

LN - We will have our first compound, AT-1501, in Phase I human trials by Q3 of this year, followed shortly by Phase II trials. The only thing holding us back is money.



The Early Days of LifeCycle

That being said, we are proceeding forward as if we have it in hand so to not slow the progress of the trials. We also have two more good drug candidates that came out of the lab this past year.

C.I. - *Augie*, the documentary movie, is coming out March 20. Please tell us about that.

LN - After a year on the Film Festival circuit, winning in both Boston and Nashville, we are releasing *Augie* in March. For your readers in New York or Los Angeles, they can see *Augie* in theaters: *Laemmle Music Hall in Los Angeles* and *Cinema Village in New York*. Following the theatrical release, *Augie* can be rented or purchase on iTunes at apple.co/Augie or Amazon at amazon.com/Augie-Nieto/dp/B079VW9PWK. We're very appreciative of all the clubs that are promoting this to their members so we can share our story, and most importantly the importance of finding a cure for ALS.

C.I. - To close this interview, of course, I must close with this: *How's Augie doing?*

LN - Augie continues to defy the odds as 'my freak of nature,' having celebrated his 60th birthday (complete with tighty whiteys!) on February 15th. He does his 3-hour workouts three times per week, serves on multiple boards and advisory committees, all the while he works tirelessly on Augie's Quest and the ALS Therapy Development Institute. Given all of this, his golf game sucks!

An Interview With John McCarthy, Chair of the BASH for Augie's Quest

Club Insider (C.I.) - Mr. McCarthy, when and how did you become involved with Augie's Quest?

John McCarthy (JM) - The short answer to this is easy. Augie asked me to do it, and I said 'yes.' I've never regretted it for a second. The longer answer goes back to my relationship with Augie, which is now

approaching 40 years.

In my 25 years at IHRSA, Augie was always IHRSA's #1 Advertiser, our #1 Trade Show Exhibitor, our #1 Program Sponsor and our #1 International Program Sponsor. So, for each of the 25 years that I was at IHRSA, Augie was always IHRSA's #1 partner in everything that we did. And, because during all those years he was an unparalleled industry leader, many other companies followed his lead... in advertising, in trade show exhibiting, in sponsoring and in international programming.

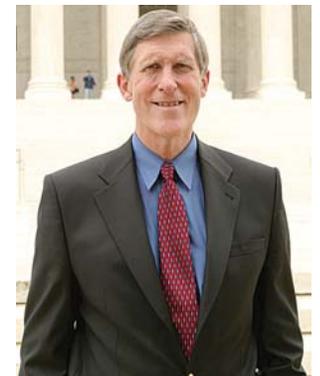
Augie's commitment to IHRSA was a significant factor in many other leading companies' commitment to IHRSA. In short, we, at IHRSA, owed him a lot, and my involvement with Augie and his Quest goes back to his relationship with IHRSA that began in IHRSA's very first year.

C.I. - How did the idea of the annual BASH for Augie's Quest come about?

JM - From a business perspective, Augie is, as everybody knows, first and foremost, a uniquely gifted marketer, a uniquely personal marketer, and above all, a one-on-one (See *AUGIE* Page 12)



Augie Walking His Daughter, Lindsay, Down the Aisle



John McCarthy, Chair of Augie's Bash



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...AUGIE

continued from page 10

one relationship-based marketer. He loved his customers. He valued his customers. He treated every customer in a first-class way, nor did he ever forget a customer.

So, when it came to developing the BASH, he wanted to make it a party, just like he did with hundreds of customer meetings, customers large and small, with whom he always wanted to share some upbeat, relaxing and enjoyable time. The BASH is pure Augie. In all his dealings with his customers, he lived by one rule, one standard, one M.O., and that was that he wanted to make it fun and rewarding. He wanted the RELATIONSHIP to be as relaxing and enjoyable as possible. The BASH for Augie's Quest is a continuation, and in no way a departure from what he did with and for his customers for over 30 years.

For Augie, marketing was always about one thing, namely relationships, and enjoying the company of those who did business with him. Above all, Augie has always been a reciprocal guy, by which I mean he has always wanted to make doing business with him as upbeat and enjoyable as possible.

So, the whole idea of the BASH was to make the evening as interesting and relaxing and enjoyable as possible. That's not something new for Augie. That's what he always has done with and for his customers. Reciprocity is the key to understanding Augie. No deal was ever a one-way deal. Nor, to Augie, never has there or will there ever be such a thing as an unimportant customer. With Augie, this goes back to the very beginning. The guy who bought two Life Cycles felt himself to be as valued as the guy who bought 200.

C.I. - The BASH has become the event of the year for our industry, and everyone comes together for it. Please express some

of your thoughts about this.

JM - Everyone on Augie's committee is a leader. Everyone is like Augie himself, an entrepreneur, and everyone is a self-starter. They are all, in their own right, like Augie, people who have reached the stage in their own business careers where they want to 'give back.'

So, for each of them, being involved with Augie's Quest is something that they are glad to do, and something that they enjoy. And, above all, each of us has our own longstanding, unique and individualized personal relationship with Augie, which makes it easy for all of us to be involved.

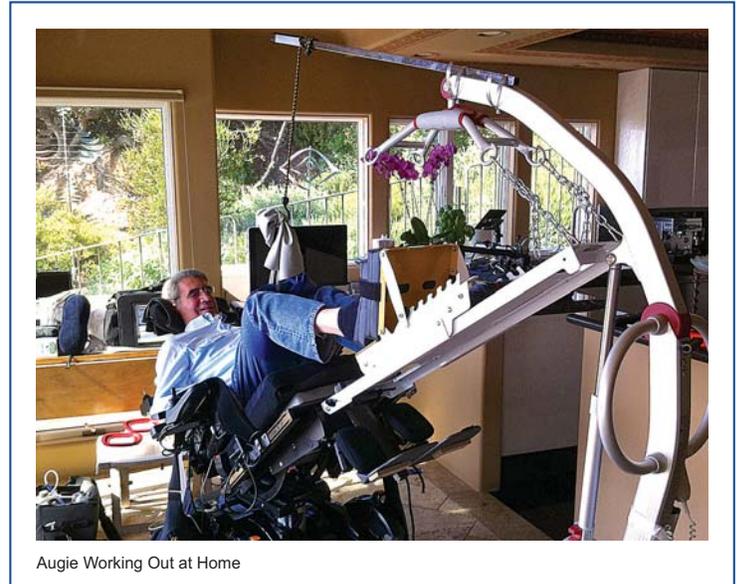
Each of us contributes to Augie's Quest in our own way, with our own circle of friends and relationships and our own individualized abilities to entice our friends and associates to join us in getting involved with Augie's Quest.

And, let me add this: One of the most endearing and delightful aspects of working with and for Augie is his profound sense of gratitude. Just as he did in his business career, Augie never stops finding fresh and fun ways to say, 'Thank You,' to all of us who are privileged to be associated with him and his Quest.

C.I. - To date, how much has Augie's Quest raised towards the cure for ALS?

JM - It's hard to say because one thing leads to another; one lights the spark for another... Today, Augie's Quest involves many different organizations and many different relationships. Augie has created an ever-more dense, ever-more complex and ever-more 'thick' network of relationships that are both connected with one another and independent of one another.

But, it all started 13 years ago with one relatively small 'bash' in Las Vegas in which many of the people that were active then are still active today. The whole thing today has so many branches that it has become an amazingly complex operation,



Augie Working Out at Home

for which Augie is the CEO.

So, how much money has it raised? It's safe and conservative to say it's well over \$50 million.

C.I. - What does the future hold for the event?

JM - I don't know. It keeps spreading and spreading... with more and more tentacles and involving ever-more business leaders totally distinct and separate from IHSA. Today, it has a life of its own and involves the leadership not only of Augie, but of his ever-so-talented and gracious wife, Lynne, plus a growing cadre of talented women who are all self-starters themselves.

One of the most amazing things, and one of the most important things that Augie has done is to develop an ever-expanding number of ALS patients, each of them with their own network of friends and associates, and all of them working together with Augie's Quest for the Cure. This is HUGE and becoming ever-more important with each passing year. This ever-expanding network of men and women stricken with ALS is another part of Augie's legacy that may, in the long run, become the most important part.

An Interview With Kevin McHugh, COO of The Atlantic Club

Club Insider (C.I.) - How did using the Rock 'n' Roll Marathon Series as a fundraiser for Augie's Quest originally come about?

Kevin McHugh (KM) - The Augie's Quest Team invited a group of club owners and operators that had been involved in major fundraising efforts for Augie's Quest over the years to a meeting in Boston. **Pat Laus** was invited as the *Founder of Clubs for the Quest* but was unable to attend the meeting due to a scheduling conflict, so I attended for *The Atlantic Club*. The concern was that we had many clubs over the years that

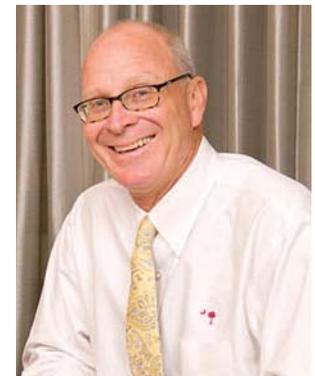
were starting to decline in their fundraising efforts, having conducted the same type of events over the years and having less energy and success for their efforts. We joked that, when club operators saw the 732 area code, they would say, 'Don't pick that call up...' I'm only kidding of course.

Please do not misunderstand that operating events is still a very important area of Augie's Quest fundraising efforts and works especially well with *new clubs* that come on board since they get to learn and experience the energy of Augie and the outstanding staff at Augie's Quest. Justin, as you know, your dad was very generous over the years in supporting our Clubs for the Quest, and Pat had assembled a team of passionate staff that would work to recruit clubs to participate.

That is a long way to say that the Augie's Quest team was looking for input into how we could maintain the energy of our current donor base of clubs while accelerating the levels of donations with another venue added to the arsenal. So, while taking the Amtrak Train from NYC to Boston, I thought about a prior success that The Atlantic Club had with having
(See **AUGIE** Page 14)



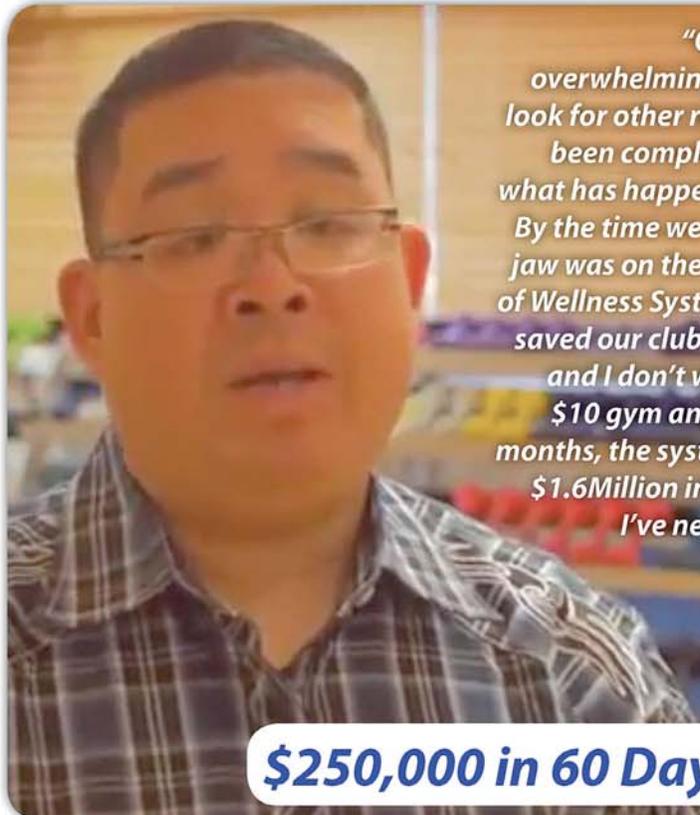
Augie Working Out at Sea



Kevin McHugh, COO of Atlantic Club

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-Aaron Stafford
Longview, TX

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Heather H. Corona, CA

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Jackie & Rob D. Lloydminster, ALB

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Tiffany T. Franklin, TN

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...AUGIE

continued from page 12

our members run marathons for another charity. My daughter Kaitlyn and I ran the Dublin, Ireland Marathon in the late 1990s for Charity two years in a row, which required us to raise over \$4,000 per person each year. The Atlantic Club would send over 50 Walk/runners! More recently, my son and I ran the Athens Marathon, and there was a tour group that handled all the details and made it seamless.

On the train, the idea further grew into a possibility since it involved fitness, a challenge, and when supported by a champion at each club, the opportunity to significantly increase each club's level of fundraising as well as bring new clubs into Augie's Quest. Clubs that, in the past, may have generously donated \$500 from their events may have the possibility of raising **\$25,000 (River Valley Club)** or **\$48,000 (Club Sport)** or **\$52,000 (Greenwood Athletic Club)** in Year One and then **\$92,000** in Year Two. All three clubs were new additions to the Augie's Quest Team and linked fitness and running into a very successful fundraising opportunity.

We had the meeting at the very impressive ALS/TDI Research Center in Cambridge, Massachusetts with the Augie's Quest Team and the ALS/TDI Research Team, along with **Mike Alpert (The Claremont Club)**, **Jim Worthington (The Newtown Athletic Club)** and the IHRSA Team. We discussed several ideas, which included the performance area.

The conversation about using an established race, such as a marathon, was discussed, and many of the participants at the meeting led by Jim Worthington thought to expand the group's potential of clubs for participation by starting smaller with half marathons. So, it was decided that we would move forward with the half marathon idea, and over the course of the next few weeks, the Augie's Quest Team, led by **Angel Moser** moved aggressively and partnered with **The Rock and Roll Full and Half Marathon Series**.

The Brooklyn Rock and Roll Half Marathon was selected to be the first trial for this concept. The **Atlantic Club** and The **Newtown Athletic Club** would be the hosts of the first event in October of 2016. It was very successful raising close to \$450,000, led by The Newtown Athletic Club Team, The Atlantic Club Team and two new clubs involved in Augie's Quest (The River Valley Club and The Greenwood Athletic Club). This was the birth of the new group that is now known as **TEAMQUEST4ALS** that will be supporting Augie's Quest in the performance areas.

C.I. - Please tell us about this year's Rock 'n' Roll Marathon events.

KM - This year's Rock 'n' Roll events were tremendous, and it has continued to grow with the help of new clubs joining the Augie's Quest Team of fitness industry fundraisers.

After Brooklyn in 2016, we added:

Philadelphia - Led by Jim Worthington and The Newtown Athletic Club;

Denver - Led by Paula Neubert and The Greenwood Athletic Club;

Las Vegas - Led by The Atlantic Club Team; Ralph Rajs and the Club Sport Team; and a late entry but much appreciated support by Todd Smith and the Las Vegas Athletic Clubs Team;

New Orleans - Led by Larry Conner and The Stone Creek Health Club and Spa.

C.I. - What have the results been?

KM - There are several answers to your question. First, they will have raised **over \$1,255,000**, but equally or more importantly, these events have grown the number of clubs and individuals that are not only aware of the need for their help with ALS but are actively supporting Augie and his quest for the future that will be the driving force to finding the cure. It will also be accelerating the introduction of AT-1501 for those suffering from ALS. Lastly, the clubs involved learned that they, with the help of Augie's Quest, can host these Rock 'n' Roll Half Marathons, which differentiates their club from other clubs in their marketplace.

C.I. - What are the plans for next year's events?

KM - The plans for next year will be to expand the offerings while maintaining our core cities, which are Philadelphia, Denver, New Orleans and possibly testing San Diego. In addition, in 2019, we will be featuring the 5K and 10K runs in addition to all the Half Marathons. Currently, a Nashville Weekend coinciding with the Nashville Rock and Roll Half Marathon, hosted by The Atlantic Club, is being added in April, 2019, as well as reviewing a few other cities that have outstanding clubs that would like to host this event later in 2018 and 2019. We will be launching our Nashville efforts on April 27th with a Country Western Concert featuring the band **After the Reign**, whose drummer died from ALS. Our **TEAMQUEST4ALS Atlantic Club Team** will begin the registrations for the race in 2019 at this event, as well as have fun with all participating. It is really a tremendous team-building event for clubs, and it links their members closer with their staffs, working as ONE to make a difference in the world.

C.I. - Having lived in Nashville, that's very exciting! It's a great city! Any additional comments you'd like to make to close this interview?

KM - In reflecting on the early days of Clubs for the Quest, when Pat Laus accepted Augie's invitation to do a grassroots program for the health and fitness industry, we had been running events such as Zumbathons and Group Exercise Classes. These were very effective in the infancy of this fundraising effort. However, today, seeing the number of clubs and club groups that are working with Clubs for the Quest,



Augie and Lynne After Renewing Their Vows

and now with **TEAMQUEST4ALS**, it is clear that the movement is accelerating and the dollars needed to make the breakthrough needed for this disease is going to happen! It is no longer if but when it will happen...

Lastly, the Augie's Quest Performance Group has added **The Augie's Quest MYZONE Challenge** that will be conducted from **May 1st - June 17th**, which is a perfect time for clubs to run their own 'Getting Ready for The Summer' member Fitness Programs.

Participants in your club will be invited to join this special MYZONE Challenge by donating \$15.01 directly through the MYZONE portal, which will go directly to the ALS/TDI Research Center in Cambridge, Massachusetts. Once the Challenge begins on May 1st, all participants that earn 1501 MYZONE Effort Points, known as MEPS, will be entered to win over \$50,000 in great prizes that features exercise equipment for the home, as well as apparel and technology items, all generously donated by our suppliers in the industry. The winners will all be announced on **FBLIVE at Augie's House on June 17th at 12:00PM PST**.

The goal is to have over 1,000 Clubs participate in this **1st Annual Augie's Quest MYZONE Challenge**. You will be hearing more very soon from **MYZONE**, as well as at **IHRSA (See Page #27)**.

We invite everyone to get involved, which provides HOPE for all with ALS!

An Interview With Jim Worthington, Owner of The Newtown Athletic Club

Club Insider (C.I.) - Jim, what you, personally, and The Newtown Athletic Club, as an organization, have contributed to Augie's Quest is well known. What created this motivation for the incredible cause that is Augie's Quest?

Jim Worthington (JW) - About eight or nine years ago, Linda Mitchell, who is my

right-hand person, asked me if she could go to the annual **Bash for Augie's Quest**. I didn't really know much about it except that it had been in existence for a few years and was raising money for ALS. But, we weren't as active as we should be. So, she went to it. A year or so later, **Pat Laus** from *The Atlantic Club* reached out to me and said, 'Jim, you know, you need to get involved in this.' Pat Laus has done a lot for the industry. She's pretty persuasive, and she has been very kind to me over the years, sharing her ideas and vision. She's a very smart, pioneering woman in the industry, so when she asks me to do something, I do it.

I told Linda we needed to get involved, and we started out raising **\$50,000 - \$75,000** for a few years. Then, **Matt Belina** came into our life. He came in one day, joined the club and asked if anyone knew about ALS fundraising in the area. They said, 'Matt, you need to meet Linda Mitchell. This is something the NAC is pretty involved in.' This all happened right on the spot. At the time, he was 31, married with two kids and battling with ALS. He was a Navy pilot and couldn't fly anymore, so they retired him. I got to meet him, and he was this
(See **AUGIE** Page 16)



Jim Worthington, Owner of Newtown Athletic Club

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...AUGIE

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great, inspirational all-American guy who you would envision representing our country in the military.

When we were raising \$50,000 - \$75,000 a year, it put us in an elite category. There were only a handful of clubs raising that kind of money, so we were doing well. But, when he got involved, we built our local initiative around him and called it, 'Matt's Mission.' **We raised over \$100,000 the first year**, then more each year after. This year, we will have raised **\$500,000**. Once Matt got involved, we just started raising hundreds of thousands of dollars every year.

The sad fact of the matter is, today, Matt is confined to a wheelchair. He can't really move his arms or hands. He can't feed himself. He can't get a drink of water. It is at a point where it is very difficult. It's progressing, and he must find something soon. That is why this is so important. The drug they have up in Boston, AT-1501, is so important. They are so close. As Lynne Nieto says, *ALS is not incurable, it is underfunded.*

C.I. - Wow, \$500,000! That's incredible. I'd also like to talk about the Rock 'n' Roll Marathon. How did using this as a fundraising initiative come about?

JW - About two years ago, Kevin McHugh said to me that it's getting more and more difficult to do the things we have done in years past to raise money. A group of us met and came up with the idea to do these Rock 'n' Roll Half Marathons. So, we did our first one a year and a half ago in Brooklyn. Between The NAC, The Atlantic Club, The Greenwood Athletic Club and a few other clubs, we raised \$300,000, so that was the impetus.

This year, Kevin (and The Atlantic Club) went to Las Vegas and did their own thing. I wanted to do Philadelphia because it was closer and easier to attract my people. **Larry Conner** and *Stone Creek Club & Spa* are doing the one in New Orleans. There were a few other ones, also. Angel Moser, from Augie's Quest, spearheads the marathons, and she does a phenomenal job.

Next year, I understand they are going to do one in Nashville, and we are going to try and get the entire industry to converge on Nashville.

C.I. - What do you have planned for the future?

JW - Coming up for next year's Bash, I'm tying the *NAC's 40th Anniversary* to raising money for my foundation called *Have a Heart*. The money that goes into Have a Heart from this will go directly to Augie's Quest. So, I'm going to throw this big party in November. Personally, I am budgeting somewhere between \$300,000 - \$400,000 for this 40th Anniversary party for all my members. It will be free for the members;

it won't cost them anything. But, I will ask them to consider giving an optional \$50 - \$100 minimum donation to the foundation for Augie's Quest. Again, it's optional, but where it won't be optional is with my vendors, whom I will ask to support this. All that money will go directly to the foundation. It won't be used to cover any costs of the event; that's on me.

So, I'm having the party, and the money raised will go to Augie's Quest. A

quarter-million dollars is the goal for that, but we believe we can easily raise that and more. And, then, of course, we have the run in Nashville.

C.I. - Jim, that's awesome, and I hope it goes well! Anything you'd like to add as we close out this interview?

JW - As an industry, I think we have done a pretty good job, and IHRSA has done as much as they can do to lead the way. But,

we are not *truly* utilizing the strength of this industry anywhere near where we should. Honestly, if we really got behind Augie's Quest, in a year, we could get enough money to, if not find the cure, at least prolong people's lives.

Then, there's the PHIT Bill. If we got just a fifth of the people in the industry behind it, we would get it passed. It is frustrating when you realize that we have
(See **AUGIE** Page 19)

A Rock 'n' Roll Weekend in New Orleans

Author's Note: **Larry Conner**, General Manager of *Stone Creek Club & Spa*, was kind enough to invite me to their exclusive, true New Orleans-style Crawfish Boil that recognized and rewarded the members and sponsors of their *inagural Rock 'n' Roll Half Marathon Team for Augie's Quest*. The food was great, the company even better and the cause the best there could be. Be sure to read my full report of the event in **Norm's Notes on Page #4**, and in addition to Larry's interview, which follows, enjoy the **Photo Collage** of the event we have put together on **Page #18**.

An Interview With Larry Conner, General Manager of Stone Creek Club & Spa

Club Insider (C.I.) - Larry, please tell us when and how you got involved with Augie's Quest.

Larry Conner (LC) - Being in the industry for so long, of course we've known about Augie's Quest, but it really came down to a few years ago with Kevin McHugh talking to our REX group about it. Our REX group is called *The Crew*, and Kevin has been pushing for our group to get more and more involved in helping out with Augie's Quest. At that point, we would pay for tickets and go to the Bash with Kevin's group every time we were at IHRSA and give some donations there, but we never could get a real fundraiser event going on here for two reasons: (1) We have a lot of fundraisers already going on, and (2) our fundraiser for Parkinson's is usually going on at the same time they wanted us to do something with Augie's Quest, so there was kind of a conflict there.

The other part of it is there is a group locally called *Team Gleason* (No White Flags). **Steve Gleason** is a Saints player who was diagnosed with ALS years ago. He's a very famous Saints player here, and he has a huge group called *No White Flags*. They raise money for people who have ALS so they can pay for equipment and the things they need to remain comfortable while living with ALS. It's a great cause, and that's what everyone knows down here. So, **Shannon Shryne**, with Augie's Quest, and myself, have been trying to work on a fundraiser to partner Augie's Quest and Team Gleason together because Team Gleason is a very big group, and the Saints help with their fundraising. It has never worked out perfectly. Both groups are friendly and talk regularly, but we were never able to get a partnered event going. And, it's hard for us to do an event for Augie's Quest because everyone knows about Team Gleason.

So, finally, we decided we were going to do one when the Rock 'n' Roll Marathon came around. Because it's here in New Orleans this year, we felt it was the perfect opportunity to do it and support Augie's Quest. That's what finally made it happen, and we are very happy it did.

C.I. - As you mentioned, this year, you've gotten involved with the Rock 'n' Roll Marathon event. Please tell us about the process of getting involved and how that works.

LC - It's very easy. **Angel Moser**, with Augie's Quest, takes care of everything. Once signed on with Augie's Quest, saying you will be a partner in the event, all you have to do is try to rally members onto your team. Each team member tries to raise a certain amount. I believe the minimum is \$1,000, and there are many different levels above that, which include different benefits for the person who raised it. Then, they take care of the rest. They link you up online, they take care of your registration, everything. This year, I believe we've gotten about 20 team members on, and right now, we are at **just over \$34,000 raised**.

C.I. - What do you have planned for this initiative?

LC - Besides entering the event, which is important of course, we also went out and got sponsors. The sponsors of the event are local companies around here that paid \$500. They got their name on a large banner we have hanging in the lobby. They got on our website and various other things as a sponsor of *Stone Creek's Rock 'n' Roll Half Marathon Team*. They also got invited to the Crawfish Boil we had on Friday, March 2nd to meet Lynne Nieto and the group. We have 12 or 13 of them, and the main one is Popeyes. Only down here will you ask Popeyes to sponsor a physical event (laughing). But, we love them, and they are good members here.

In the last two weeks, to kick it up a notch, we have raised a few thousand dollars by having the 1501 Challenge. AT-1501 is a drug ALS TDI is about to come out with, and we want to bring awareness to it. So, we did the 1501 challenge. Basically, you have people pay \$15.01, and then, they can do one of the challenges offered. For us, one was a movie spin that I had where we played the movie *Footloose* and did spinning for the entire movie. It was a great event and a lot of fun. Others were doing 1,501 steps on the stair climber or 1,501 meters in the lap pool or rower. When they did that, if they beat the times that we set, they received two raffle tickets instead of one (for participating). At the end of this, we are having a raffle to draw some winners and are giving away things like spa services, different fitness classes we normally charge for, smoothies and things like that. This has gotten members involved as well as employees. It's just fun to do.

C.I. - You've mentioned hopefully partnering with Team Gleason, but what else is planned for future years of fundraising for Augie's Quest?

LC - I think we are going to continue with the race and just keep improving on it. We are very happy with the results for our first time, and with more time to plan for next year, we can go after other local clubs to get involved plus offer other groups from outside the area an opportunity to come down and have some good ole' New Orleans' style fun with us. They see the best of New Orleans on this race route!

To make it unique, we will keep the Crawfish Boil party with it and maybe add some other stuff to it. If we can get together with the Gleason group, that would just make it that much better. We need the cure, but we also need to take care of the individuals who have ALS locally. I believe our community would really grab this and run with it if we can bring the two groups together.



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Elissa Knolla - Fitness Director, Opti-Life, KS

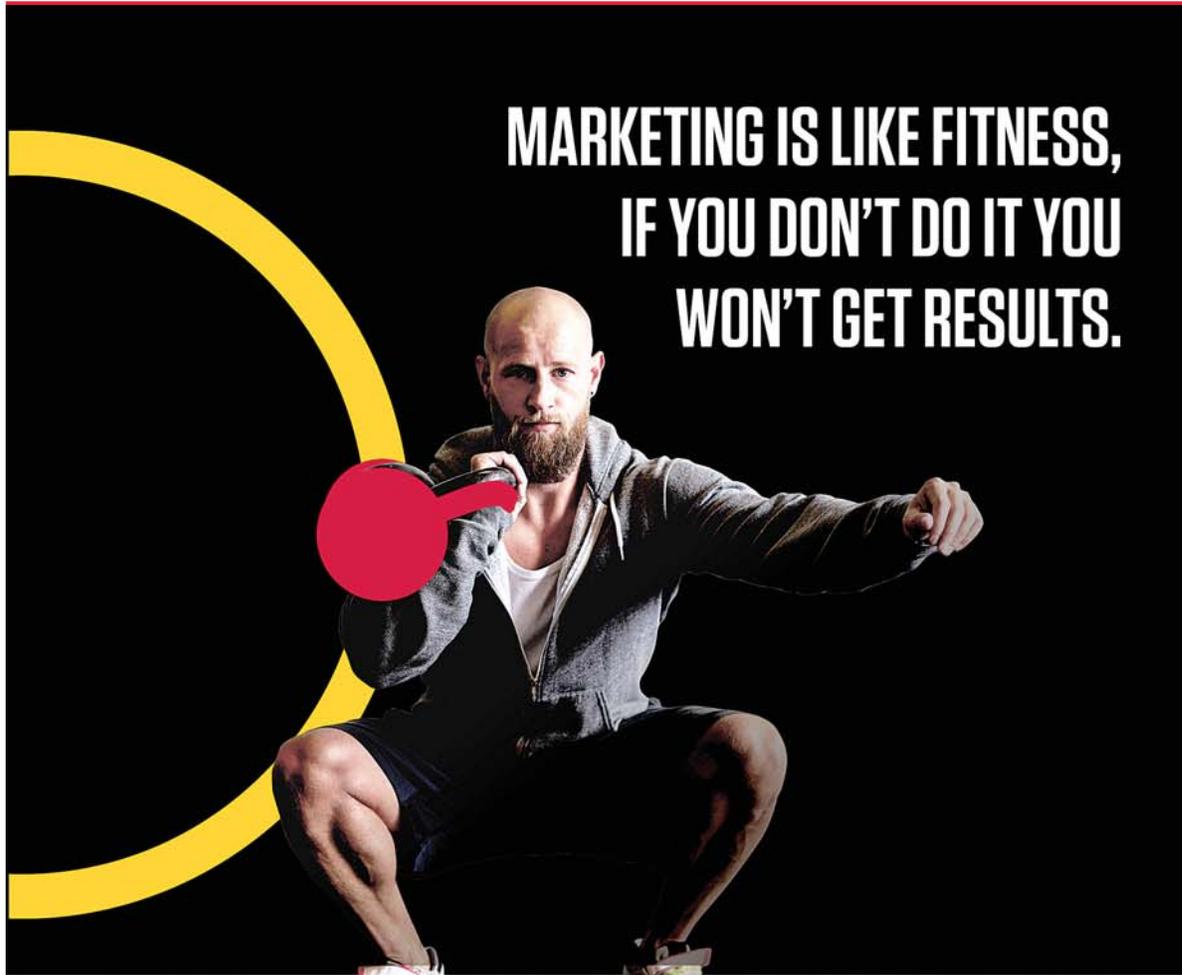
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...AUGIE

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such power that is not being utilized. Going forward, my goal is to get more people engaged and realize that, if we work together, we can get the Federal Government to understand that *Exercise IS Medicine* and give tax incentives and grow the industry, getting even more people involved in exercising. But, it does get frustrating at times when you call a club owner, and he doesn't know who his Congressman is. You shake your head and think: How do you not know your Congressman? They work for us. It's how you get things done.

We see all these other organizations, and they lobby like hell. We have over 57 million members in this industry, and we make people's lives better. So, my mission over the next few years is to get people to realize that, if we work together, we can do so many things for the betterment of the industry, people in general, and America. WE are the solution to the health care problem. This is what our life's work is, so let's do it and change the world.

• • •

I want to thank the incredible group of health and fitness club industry leaders who interviewed for or contributed to this month's cover story: **Augie and Lynne Nieto, John McCarthy, Kevin McHugh, Jim Worthington, Larry Conner, Shannon Shryne, Angel Moser, Kristin McConnell, Linda Mitchell, Stephanie Coulon and Marvin Gresse.**

Keep pushing; let's cure ALS!!!

(Justin Cates is the Assistant Publisher of Club Insider and grew up in the health and fitness club industry. Justin was born into a club business family in 1985, and from the age of eight, he spent his non-school and sports hours in a home that doubled as Club Insider Headquarters. He has lived and breathed this industry for 33 years, since his own day one. Cates graduated from the Terry College of Business at The University of Georgia in 2007 and then went on to two years at The Art Institute of Atlanta, where he studied Interactive Media Design. Now, he is an integral part of the "Story" of Norm Cates and Club Insider. Justin can be reached by phone at 423-314-4310 or email at Justin@clubinsideronline.com)

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No & Low-Cost Marketing Does It Still Exist?

By: Casey Conrad

I belong to a local, "boutique" functional fitness facility that's less than five minutes from my home. Although it is not a CrossFit, it has the same type of workouts, just safer. I call it, "CrossFit for the joint conscious." At 53 years of age (how did that happen!), I am right in the middle of the pack for a member profile. I don't know exact numbers, but the facility probably has about 250 members with the prime-time classes almost always full or close to capacity. The owner has run a very occasional Facebook ad, and *once* in the three years in which I have been a member, he ran a referral promotion with internal signage advertising a free T-shirt when you bring a friend who joins. Five years in existence, doing a bang-up business and has barely spent a dime on marketing... Hmmm. The physical location is "B" at best. It's drafty, there are no locker rooms and one small shower... You get the picture.

A few months back, I was with a bunch of girlfriends enjoying a night away from kids, husbands and any other familial responsibilities. One of the women began sharing her recent experience with having her full horoscope done and explained with great detail the incredible accuracy of what it told about her life, and in particular, her current "transitional" situation. We were glued to our seats, and without any mention of a referral (or even that the person would be available for others), four out of the five of us asked for the horoscope reader's contact details. We each gladly paid \$300 for a 90-minute phone session and printout. The woman was taking appointments three and four weeks out! (By the way, it was fascinating and accurate.)

Albeit the second example isn't fitness-related, what both these experiences display is that "No or Low-Cost Marketing" does still exist; it's called PRO-ACTIVE referrals. I'll circle back to these two examples later when we discuss the components of what drives a product or service to succeed in easily getting referrals, but before we go there, an important question must first be addressed. Why are so many club operators struggling with obtaining pro-active referrals? By "pro-active," I mean *asking for and receiving* referrals. Over the past several years, I've noticed more and more operators moving away from referral programs but increasingly asking me, "What are others doing to drive traffic into their facility?" So, I became intrigued with the question, "What has happened to 'The Referral?'" and began polling clients and attendees at my seminars.

Most recently, I was giving

a marketing seminar with about 20 independent operators. The majority had been in the business 10+ years and would be considered successful. When we began discussing referral programs, I asked who is having success with pro-active referrals (both point-of-sale and ongoing campaigns). The response shocked me. Out of 20 operators, only two raised their hands! In shock, I began asking more detailed questions:

- Do you have a structured new member referral program that offers an incentive?
- Do you offer some kind of gift just for providing names at the point of sale?
- Do you have a referral form that is filled out by the new member and turned in by each salesperson to management?
- Do you track the average number of referrals obtained at the point of sale by each salesperson?
- Do you run one or more structured club referral programs throughout the year?
- Do you track the conversion rate of referrals to appointments and subsequent sales?

The answers I received were downright depressing! Most clubs have moved away from referral programs, especially new member efforts. Of course, I'm pummeled with every reason why the decision is to NOT push obtaining referrals at the point of sale. Every excuse was given! "Customer's felt pushed," "That's old fashioned," "We just weren't getting the names, so we decided to just put two or three passes in new member packets and follow up;" and on and on.

To me, NOT having structured referral programs is both bizarre and a bad business decision for a lot of reasons. Let's start with point-of-sale referrals. New members are most excited the moment they join the club; most people find working out with friends much more motivating; you haven't done anything yet to disappoint them; and while they are in the paperwork process, why not weave-in the referral program!? The worst thing that can happen is they say, "No," BUT at least you have asked. Furthermore, outlining the process to the new member, at minimum, creates value in the member's mind and sets the stage for future referrals.

As it relates to existing member referral programs, there is always a percentage of members who enjoy being a type of Ambassador for the facility. Of course, many members struggle with workout consistency, and if the timing is right, encouraging them to bring a friend could be the very thing they need to succeed. They now have a reason to ask

one or more people. Then, there is always altruism. With a cool gift or incentive, many members will beg and cajole friends and family to join them at the facility.

With all this in mind, let me ask all you club owner/operators a couple of very important questions:

1. Have you bought into all the BS excuses as to why today's customers don't like to give the names and/or contact details of their friends?

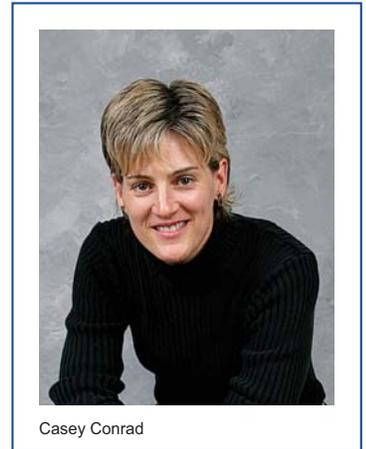
It is absolutely natural for human beings to refer. In fact, it's almost engrained into our DNA because sharing important information with people you care about helps a civilization survive and thrive. You may snark at that and think it's a stretch, but books have been written about it.

The real question becomes, what needs to happen *differently* in order for today's customers to feel more comfortable referring friends and family members? There's no denying it, times have changed; has your approach? Who is going to be bold and think totally out of the box when it comes to referral programs?

- In today's day and age of digital printing, why not offer members the ability to have custom guest passes made that have their photo and perhaps a quote about how their life has changed because of exercising at your facility? If they have lost weight, how about before and after pictures with their top three tips for success?

- What about creating an Ambassador program like they have at ski resorts? If you're not familiar with such programs, people apply to be an Ambassador. If selected, they work a certain number of days per season in exchange for a free season pass. There are waiting lists at most mountains! In addition to having a referral minimum, think of the different events, activities or duties that could be performed by a Club Ambassador. I know some of you are thinking, "Why would I basically give away a membership to my most loyal, paying members?" I can think of a lot of reasons with a well-thought-out program that ultimately means many more happy members because of one die-hard member's efforts!

- Don't like those ideas? When was the last time you brought all your staff members together and made a contest out of coming up with the best new referral program ideas? I can tell you with confidence that there are marketing geniuses amongst your staff; you just haven't engaged them! Not only are they representative of the customer, but they are front line to the



Casey Conrad

customers and are often more in tune with their needs and wants, likes and dislikes.

My point is: If you're not getting both point-of-sale referrals AND existing member referrals with ongoing campaigns, RE-INVENT the wheel and keep trying until you succeed.

2. When was the last time you stepped back and asked yourself, "What is it that makes your facility so amazing, so REMARKABLE, that members participate in referral programs AND are telling friends and family members about you and your facility even when they are not being asked?"

If you've operated a facility for any length of time, no doubt you've weathered a competitor entering your market. Whether it is a similar fitness offering or different, you have witnessed the buzz and excitement within the community. New gets noticed. Different gets talked about around the workspace and social gatherings. ARE YOU REMARKABLE? Seth Godin talks about this in all of his marketing books. The challenge is that, when one is in the day-to-day grind, this becomes a distant focus. If you want to get pro-active referrals, you must constantly be reinventing parts of your operation and giving members something to remark about!

- Are you staying on top of the latest fitness trends and deciding how, if at all, to incorporate them into your facility when it makes sense?

- Are you bringing in some type of new equipment on a fairly regular basis? Yes, it is an expense, but if your facility has the exact same stuff today as it did a few years ago, that's an issue.

(See Casey Conrad Page 21)

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...Casey Conrad

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■ Are you utilizing a licensed group exercise program that ensures at least quarterly releases of new music and workouts? Although I've seen a few clubs who have done well with instructors doing their own choreography, that's the exception and not the rule.

■ When was the last time you updated your colors, accessories and perhaps moved things around a bit? I have one client who swears that, by constantly having one thing at the club being "under improvement," members brag about his commitment to always be improving. He tells me, "Casey, it might just be painting a wall, but we put signage up so members are being told, 'we are spending money to make you happy.'" Pretty good strategy.



We are all living in a hyper-competitive environment. From big box clubs to franchises to boutiques to non-profits, fitness offerings have far outpaced new customer growth. Add to that an environment where marketing is harder than ever and what you have is the perfect reason to get back to the basics of

making "No or low-cost marketing" work for your facility. Discover new approaches to obtaining referrals and seek out ways in which you can become more "remarkable," and the outcome will be well worth the effort.

(Casey Conrad is a long-time industry consultant and Club Insider Contributing Author. She is the author of numerous best-selling books, including Selling Fitness and Selling Personal Training. Be on the lookout for her newest book,

Hidden Profits: How to make more money in the fitness industry with programs and products. Casey can be reached at caseyshealthclubtraining@yahoo.com.)

Planet Fitness Franchisees Join Forces to Focus on Member-first Culture and Accelerated Growth

PALO ALTO, CA; AUSTIN, TX; and RALEIGH, N.C. - Altamont Capital Partners (Altamont) announced that it has acquired PF Eastern NC, the largest Planet Fitness franchisee in North Carolina, a deal that brings together two franchisee powerhouses and expands their group to 56 clubs across the United States.

The acquisition partners Altamont's current Planet Fitness franchisee Excel Fitness (Excel), operating 39 fitness clubs across 4 states, with PF Eastern NC, operating 17 fitness clubs throughout the Raleigh, Durham and the Southwest Virginia markets. Operating together as Excel, this partnership helps the collective group deliver an exceptional customer experience and building loyalty through world class operations and its values-driven culture.

As part of the transaction Altamont has partnered with **CJ Bouchard**, *Co-founder of PF Eastern NC*. CJ brings over 13 years of Planet Fitness experience and will play a pivotal role in managing the business.

"I couldn't be more proud of the work my team has done, and we're all excited to reach the next level through our partnership with Excel and Altamont," CJ Bouchard said. "Excel's commitment to cultivating a first-class member experience falls right in line with our core values. We look forward to sharing best practices from both sides to continue growing together."

"This is an incredible opportunity for both teams to partner and continue our momentum," said *Excel President, Mike Turner*, adding, "The NC team are world-class operators, and with our larger and

growing footprint, we're creating even more opportunities for our employees to build a career with this incredible brand. There's never been a better time to be part of our Planet."

Echoing that sentiment, **Kevin Mason**, a *Principal of Altamont*, said, "Culture was a key piece as we considered our next partnership. These two groups have created a member-first culture that begins at the front desk of every club and carries into the back office. We're excited to continue our growth together to bring Planet's unique value proposition to even more people with these strong operators leading the way."

Marks & Klein LLP advised and represented PF Eastern NC, while Ropes & Gray LLP and Bass, Berry & Sims PLC advised and represented Altamont.

Dinosaurs...

By: **Thomas Plummer**

Your cell phone is less than two years old. Your new flat screen is, at best, a few years old. Your fitness wearable represents technology that didn't even exist just a few years back. My old box computer is in the back of the closet, dead and gone, replaced by laptops and pads. My news comes from scrolling on my phone to see

the latest from all sources. And, who is left on the planet who schedules his life around a television when there are a dozen apps that let you choose what you want to watch and when?

Yet, the fitness facility you just built, and expect the public to buy, hasn't changed its basic concept since 1985. The check-in desk is staffed by the lowest bidder; the sales offices that scream the set

from Mad Men; a sea of fixed-plane circuit equipment; strength equipment that could have been featured in a 1990 *Muscle and Fitness*; cardio lined up so close you can smell the guy next to you; and the aerobics room, still a must-have in most mainstream gyms, but now with that old, been there, done that aroma.

Our definition of what a fitness facility should be in the mainstream world hasn't changed in over three decades, or put a different way, George Bush the first was President, and *Don't Worry, Be Happy* was ripping up the charts. Even after all those years, we still believe:

- More of everything is better. Build it big, stuff it so you can't move, try to offer every program trick you have ever learned, and sell, baby, sell those memberships.

- Even though that seated chest press was invented in 1967, just change the paint and bend the steel a little differently, and we are still good to go. The tech never changes; we just repackage it every year. What year were you born? Is your tech older than you?

- Any help anyone might get is sold separately, meaning less than 6% of all members get any real help. We lament when people quit, but we created DIY gyms.

- Volume is the business plan. Price is everything. Deals are a must.

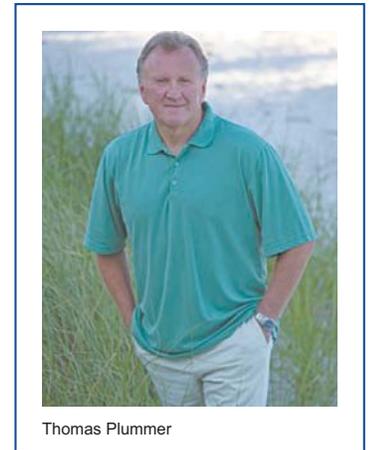
- We are in the fitness business, even though any real outside business person realizes these gyms, which represent most of the mainstream fitness market, have little to do with fitness and are all about selling memberships, losing people because they fail and then selling more memberships. We offer fitness theater, not fitness that changes enough people to matter.

- Keep the price low so we can attract the largest number of clients possible, even though we now have 30 competitors in the same market doing the same thing.

What if this definition of a fitness facility is wrong? What if we have simply continued to replicate the past while ignoring the obvious future in front of us? What if this is a failing business model, with no future, and no chance to innovate?

Are we really different in the mainstream world? Look no further than Sears as an example.

Sears started in 1906, reached its peak in 1989 when it was surpassed by Walmart and is now in a non-stoppable plunge to the bottom. For about 80 years, they were the standard in their industry, but they failed to reinvent, they failed to



Thomas Plummer

innovate and they failed to evolve.

Sears stores still look much as they did even in the 1960s. The world changed, but Sears clung to their past and innovation represented changing the color of the staff member shirts. Even online retail, grasped by Walmart, was ignored until too late by the very company that should have taken it first.

The mainstream fitness market, defined as building large facilities designed to be all inclusive for the market, and at that time, featuring a wide range of consumer-friendly equipment and programming, got underway in the late 1940s, peaked in the early 2000s and is now in a state of decline. The Walmart got Sears, the modern training-centric gym is going to destroy most of the fitness industry, and yes, it was about 80 years from start to decline.

The mainstream fitness center may be brighter in color and a little larger, but there is no practical difference between a large chain gym built in 2017 or 1987. Same stuff, same rooms, same sales efforts and same marketing, but with a different outcome: the plan no longer works.

Will retail boxes go away? No, never completely, although someone will come in and redefine the delivery system. Will the mainstream box gym ever completely disappear? No, but how they are built and what they do will have to change.

If the definition of what a gym should be 30 years after its best years is wrong and represents a model that has peaked and is starting to fade, then what should we be doing and how should we evolve?

- We need to move away from building gyms that chase every possible consumer in the market for the volume and move toward return-per-client-served.

- We understand the average client is gone (See **Thomas Plummer** Page 23)

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...Thomas Plummer

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in about 5 - 7 months, and even though they pay longer in the cheap gyms, they don't attend, and we still lost them. They leave because they never got what they paid for, which was results.

■ Why not build smaller gyms, such as 15,000 - 20,000 square feet, which are cheaper to build and operate, especially if they are more functional-based, targeting the clients who want to spend money, will pay a little more, in the \$39 - \$89 per month range and will stay longer and pay longer? In other words, how many clients in a typical overstuffed, low-priced mall store would pay more to get out of there if there was a more serious option available? This gym won't have 3,000 clients paying \$19, but it can have 900 clients paying \$130 average or higher.

■ Two-thirds of the people in this country want cheap. One-third understand that it isn't about the money; it is what you get for the money you spend. Why don't we build gyms for this client, the client who is already clambering to the training-centric gym market and completely deserting the mainstream world and charge him more, while evolving the gym into something that represents fitness now, not as it was 30 years ago? Does any client in any gym still need a Smith machine, an ab/ad, a seated curl or a lower back piece? Do I still need a pager, EarthLink, an IBM floppy disk or a fax machine, all from exactly the same era?

■ Let the old dogs die. If group exercise is dead and team functional training done at a national average of \$149 - \$179 seems to be draining the mainstream players of this potential client, why not admit it, kill it, stop obsessing about finding instructors who no longer exist and embrace the future, which is hiring educated coaches who can get results in a team setting and justify the

\$150 a month fee?

■ Understand and model the modern training gym. There are hundreds of these around the country that do over a \$1 million a year with fewer than 450 clients, pretax over 40%, have retention rates in the 80% range, and most importantly, created businesses that are not tool- or program-based, but rather, centered on the delivery system wrapped around high-level coaching. The mistake made over and over again is that the mainstream players think it is tool-based, open up space in the back of the gym, hire weak trainers and then expect to capture this market. We fail to understand that the client who will pay \$150 - \$2,000 per month would never be caught dead in a mainstream gym and would pay lots of money not to have to walk through 1990 to get to the 'room' when he can join a training gym with about 300 clients, where everyone pays more and the other clients are just like him. Why not build a 15,000 square-foot gym around this client? Why not evolve a dying concept?

In the mainstream world, we strive to cling to a past that was good to us, but one that has hit the dead-end wall at full speed. Does anyone still really think it is a good idea to spend \$4,000,000 dollars in rental space to chase 3,000 members who join for price and leave you for price, and then you still have to fight for this fleeting client with 20 other players chasing the same low-end market?

In the training-centric world, they are building gyms that embrace a client long neglected in the mainstream world, and they are getting rewarded heavily for that effort. These gyms are more target specific, can be built in the \$400,000 range, rely on only about 350 clients and have the actual retention rates we have been lying about for generations in the mainstream world.

For Sears, building the same box store it did 30 years ago was insanity, and

the company was punished. Building the same fitness center concept we did 30 years ago is also insanity, and we have been punished for quite a few years now. If you don't believe this, just look up all the major mainstream players just 15 years ago and figure out what they are doing now.

Even the players reporting growth are attempting to modify their offerings, go into secondary markets, bend their concepts as needed to sell and are perhaps more smoke, mirrors and a baggy shirt hanging over the big belly than sustainable over time.

The definition we have used

to define and build fitness centers since the late 1980s is wrong. But, there is a way forward if we quit chasing the past and evolve into a future where there is still a lot of money to be made in the coming decades.

(Thomas Plummer is one of the top gurus in the health and fitness club business world, and he often delivers messages to his clients, and to others he converses with, that they don't want to hear. But, his track record for results for his clients is excellent, and it has given him multiple decades of staying power. Thomas can be reached at thomasplummer@icloud.com)



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Town Sports International Holdings, Inc. to Acquire Total Woman Gym and Spa

JUPITER, FL - Town Sports International Holdings, Inc. ("TSI" or the "Company") (NASDAQ:CLUB) announced that, through its wholly-owned subsidiaries, it has entered into an asset purchase agreement to acquire substantially all of the assets of the Total Woman Gym and Spa business ("Total Woman"). Once consummated, this acquisition will add another women-focused fitness brand to the Company's growing fitness portfolio.

The acquired assets of the California-based Total Woman business include 12 locations which TSI will continue to operate under the Total Woman brand. The locations to be acquired are in

Alameda, Glendale, Irvine, Laguna Hills, Northridge, Placentia, San Jose, Studio City, Torrance, Valencia, Westlake Village and Woodland Hills.

Upon closing, this acquisition will enhance and expand Total Woman's offerings for its members as TSI will introduce its robust digital offering in addition to new tailor made training programs.

Founded in 1965 by visionaries Art and Adrienne Stone, Total Woman has grown into a California mainstay. "The opportunity to expand into California with a well-known brand was an easy decision," said Patrick Walsh, TSI's Chief Executive Officer and Chairman of the Board.

Data Breach Protection and Actions to Take Should One Occur

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

Not that long ago, nearly all health club membership agreements and other club forms were in paper form. These paper agreements and forms required physical safekeeping to guard against unauthorized access to information. However, health clubs have continued to embrace advances in technology, and the industry has largely moved to paperless operations. Nowadays,

signing up new members and handling in-club purchases rarely requires putting pen to paper.

Yet, as the industry becomes more reliant on digital information and technology, the risk of members' payment card information and personally identifiable information becoming compromised is omnipresent. Just like any other consumer-oriented business, health clubs must brace themselves for the inevitable attack on

customer data.

Although club owners and operators have a duty to protect both information stored in paper form as well as digital data, the harsh reality is that the digital world entails many more complex layers of potential exposure. However, proactive steps can be taken to minimize the risk of breach, and the rapid execution of a tested response plan following a breach will dramatically reduce the financial and reputational cost associated with such an event.

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

Some Statistics

It has been reported that 1,579 data breaches occurred in the United States during 2017 alone, resulting in the exposure of nearly 179 million individual records. The business sector accounted for more than 91% of this exposure. As for the motivation behind these attacks, identity theft continues to be the most common type of data breach occurrence.

The typical single health club location collects payment card information and personally identifiable information for thousands of members. Personally identifiable information might include a member's first name or first initial and last name in combination with a social security number, driver's license number, state identification card number, bank account number, home address or email address. It may also include a credit or debit card number plus access codes, security codes or passwords that would permit access to someone's account. The collection of this information triggers a tremendous legal duty on the part of the holder.

How to Protect Against a Data Breach

Although the health club industry continues to go digital, both physical and digital records need to be equally protected. Employee training in this regard is essential. Beginning with new employee orientation and onboarding, then continuing with updated training periodically throughout the employment relationship, employees must be trained on security awareness. Tailor this training to the level of the employee and the level of their involvement with protected information. Restrict access and administrative privileges as much as practically possible from an operations standpoint.



Paul R. Bedard, Esquire

Maintain physical records containing personally identifiable or sensitive information within a securely locked cabinet or area. Allow access to these records only to those with a legitimate business need for this information. Once any business need or legal requirement for the maintenance of these records has passed, destroy these physical records immediately.

As for digital access, assign individual logins and passwords to each employee and strictly prohibit employees from being logged in under another employee's login. Do not allow the sharing of login information or passwords. Utilize strong passwords and update them regularly. Grant employees access strictly to those applications that are essential to their respective job function. Immediately revoke access privileges when an employee leaves the employment relationship, even when their exit is amicable.

Encrypt sensitive data and utilize a POS system that affords point-to-point encryption with payment processing. Although many health club operators understandably value easy access to members' credit card information for the convenience of in-club purchases, do not store credit card information within your POS system for reference purposes. Maintain updated security software, club management software, firewalls, internet browsers and POS terminals. Update operating systems regularly. Whenever practical, do not store valuable or sensitive information on mobile devices.

Consider obtaining cyber liability insurance. Regardless of the effort aimed at preventing a data breach, most health club owners and operators are unprepared for the many challenges that accompany a compromising event. Evaluate the number of members and employees that might be affected by a breach and calculate the potential financial and reputational exposure in this regard. Obtain policy limits that are sufficient to cover this exposure.

(See **Paul R. Bedard, Esquire** Page 25)

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...Paul R. Bedard, Esquire

continued from page 24

Responding to a Data Breach

In an industry involving exponentially growing amounts of consumer data, the unfortunate reality is that it is not a matter of "if" a data breach will occur for the typical health club. Rather, it is a matter of "when" one will transpire. Having a preformulated response plan that can be immediately executed when a breach is discovered will not only minimize the disruption of operations and reduce any resulting financial and reputational harm, it will also ensure that the law is being followed during the aftermath of a compromising event.

Nearly all states, as well as the District of Columbia, Guam, Puerto Rico and the Virgin Islands, have enacted laws requiring companies to notify individuals of security breaches involving personally identifiable information. Where I practice law in Connecticut, a health club must provide notice to the Office of the Attorney General as well as the individuals affected by a breach without "unreasonable delay." Failure to comply with Connecticut's law in this regard is considered a per se violation of Connecticut's Unfair Trade Practices Act

(CUTPA). In addition to the financial and reputational cost of a subpar response to a breach, violation of CUTPA can result in financially crippling punitive damages.

On a practical level, have a fully tested response plan in place before a breach occurs. The Federal Trade Commission offers a helpful guide in this regard titled, "Data Breach Response, A Guide for Business." Many of the practical tips that follow can be explored in more detail within the FTC's guide:

Depending on the organization's size and structure, engage key people from departments including but not limited to information technology, legal, human resources, management and ownership during the development of the response plan. Identify a breach response team and mobilize this unit immediately upon discovery of a breach.

Swiftly take affected machinery offline following a breach and immediately update user credentials and passwords. Promptly remove any improperly posted company website information when applicable. Preserve all physical and digital evidence for forensic experts to evaluate. Interview the parties involved with the discovery of the breach to further flush out key details for evaluation.

Understand your state's specific

legal requirements from a notification standpoint. Notify law enforcement as well as any agency that is required to be notified by law. When considering which additional parties to notify, evaluate state laws, the nature of the breach, the type of information compromised, the likelihood of misuse and the potential harm that would ensue.

Have a comprehensive communication plan that will reach all those affected, whether employees, members, investors or others. Designate an appropriate point person for the release of information as it relates to the breach. Convey the relevant details regarding what was breached and make clear to your audience what steps are being taken to address the breach. Identify the key questions that will likely be asked of the organization. List these questions and the answers to them on the company's website and have frontline personnel trained to answer these questions promptly and consistently.

Conclusion

The health club industry, like most industries, continues to embrace and benefit from advances in technology. Some of the greatest technological strides in this regard involve the increased utilization of data. However, this increased data

utilization carries with it an increased legal duty and risk. Proactive protection measures and the ability to rapidly and effectively execute a well-designed data breach response plan will minimize the financial cost and reputational harm following a breach. Moreover, this level of readiness and responsiveness will also ensure compliance with the many strict laws that govern the security of consumer information.

(Paul R. Bedard, Esquire, has nearly twenty years of management, leadership and operations experience in the health and fitness industry. As a practicing attorney, Paul's health and fitness industry experience provides him with a unique perspective when advising health clubs regarding employee training, handbooks, policies, contracts, disputes or premises liability claims. When not practicing law or spending quality time with his wife and daughters, Paul strives to be active in his local community. Paul serves as the current Assistant Town Attorney for the Town of Southington, Connecticut and has previously served on the Southington Zoning Board of Appeals and the Board of the Central Connecticut Regional Planning Agency. Paul can be reached at pbedard@smdldlaw.com or 860-620-9460, EXT. 109)

Stop the Bleeding

By: **Michael Gelfgot**

While operating 21 Anytime Fitness locations, most are doing well, a few are rocking and there are a few that are dogs and MUST get turned around. No one ever plans on having a club or two hemorrhaging money, but when it happens, it's what you do next that matters most.

First of all, what happened? How did we allow such a thing to occur? Aren't we better than that? No one plans on this, but here is what happened:

1. We got complacent;
2. We allowed mediocrity to set in;
3. We didn't develop our district manager team as much as we should have. As a result, they failed to develop their people. We had very few people in the pipeline ready to move up;
4. We got distracted;
5. We got too far away from the business, meaning we allowed our underperforming district managers to feed us a bunch of bull without inspecting their work;
6. We made the classic mistakes that all managers make;
7. We allowed stress to mask our decision making.

When running a company of 150+ staff members, there is always something going on. There is always something cooking. Staying focused on what's most important is extremely challenging. No one ever gave my business partners and me a handbook on how to do this. Yes, we read and listen to 100+ books a year between the three of us; that's not enough. We execute well, but we should be executing better. We figure this out as we go along, which is what makes being an entrepreneur a beautiful, and at the same time, the most stressful thing.

We had one particular location that was losing about \$6,000 per month. When we finally pulled our head out of our you know what, we made the decision to demote a district manager who was overseeing that district. With our being short-staffed in the upper management team and no one ready to step in to fill those roles because we did a poor job in developing our staff, my regional manager, Adam, and I, took over that district. When we arrived at that club, here is what we noticed:

1. It felt awkward to be there. The music was playing very softly in the background, and hardly any members were working out.
2. When we inspected the IC book (inquiry call book), it looked like we hadn't had a call to inquire about the club in months. Ironically enough, within 30 minutes of my being at the club, magically, we got an IC call.
3. There were no lead boxes out; we had

zero relationship with our local community.

4. Members were coming in left and right to cancel their membership. The number one reason was their lack of usage; they weren't motivated.
5. Voicemail hasn't been checked for days.
6. Bank deposits weren't being made on a daily basis.
7. Internet leads weren't being replied to.
8. Facebook and Google reviews were averaging low 3s with fewer than ten reviews total.
9. No referrals were coming because we weren't taking care of members.

The best part about the club was that it was clean and kept up with, and we had one trainer who was willing to do whatever it took to turn things around. Everyone else was fired, and we started from scratch. This was our situation, and here is what we did to turn things around.

First, we made sure we fulfilled our promise to our members and to our clients. Our unique selling proposition is that memberships fail people while coaches don't. We are not a membership-based facility; we are a coaching-based facility. All members of our club get two sessions to work with a coach up-front, and then, for the life of their membership, we meet back up with our members to check two things:

- Are you motivated?
- Are you changing?

This isn't a ploy for us to "push" more personal training or "make" someone do something he doesn't want to do. This is our system to prevent the inevitable. For most people, those who quit exercising do so due to loss of motivation and lack of results. This also happens to be a great funnel to help people opt in to our personal training program. We lead with our heart, time and energy first; we serve first. People see us for who we are and what we are all about, and then, they trust us, like us and buy from us.

This wasn't happening with our non-clients, the general members of our club. Once they joined, or I should say the few who joined, there was a halfhearted pitch for personal training, and then, we were done with them. Members weren't given a plan to follow, no evaluations were performed and no 4-week follow-ups were scheduled. There was no safety net to catch our members from falling. So, they were falling, and they were falling really hard. It's impressive how hard we worked to screw things up.

The second thing that we did is make sure that our current clients are actually changing and progressing for the better. Adam and I made sure to work with the only staff member who cared about that facility and those members on the following aspects of being a coach:

1. Executing our personal training program. We run a very specific play when it comes to personal training. As most facilities, we train people in groups, and we have very specific coaching guidelines on how to coach these teams of people.
2. We made sure that the coach and the client had a goalsetting session, and they both knew what the expectations are going forward. We evaluate all of our clients every eight weeks. We expect, and the client expects, a certain change every eight weeks. For the clients who weren't progressing every 8 weeks, Adam and I got involved with each client and helped that client put together a better strategy. This is great coaching for the main trainer at the club.
3. Bottom line, we made sure that clients were getting three times the value for their training program.

Going back and making sure that our current members who were not personal training clients were set up on a plan and our current personal training clients felt like they were getting more than their money's worth allowed us to ask for referrals.

Meanwhile, we were working with members and clients. Of course, we had to start producing right away. Here is what we did:

1. Every interaction counts. Members were still coming to cancel but fewer and fewer every month. For the ones who cancelled, we made that experience as pleasant as possible. They left the club feeling good, meaning they knew they weren't going to get billed again. Some of these cancellations were saved. Most were not. Lessons were learned and heavily applied with new members. We can't do anything about the past, but we can change the future.
2. We asked for referrals from current members, and new members started coming in. It's always been our strategy, but the old team didn't execute. We did.
3. We developed a Corporate Fit Challenge (CFC) program. Trina Gray created the program. I highly suggest you read her book on CFCs.
4. We got involved with the Chamber of Commerce very heavily, volunteering our time and our energy.
5. We started writing for the local newspaper.
6. We instilled a set of disciplines called the SMaC recipe. The word "SMaC" stands for **Specific, Methodical and Consistent**. SMaC recipe is a concept developed in the book *Great by Choice*. A SMaC recipe is a set of durable operating practices that creates a replicable, consistent success formula.
7. We cranked the reviews on Facebook and Google. We now have a total of 200+ reviews with an average rating of 4.5 stars.



Michael Gelfgot

8. We started generating some serious dues for memberships and personal training.
9. We hired one member and must have done over 40 interviews. With the old management in place, they would have hired at least 15 of those candidates. Adam and I hired two, both of whom didn't make it more than a month, either because we weren't happy with their performance or because they thought the job was too much.
10. We have about ten lead boxes out in the community that consistently produce leads because we have a great relationship with the manager/owner of the respective store, which is probably the biggest key to having a lead box that actually produces leads.
11. Our internet leads and social media leads are up to date and get proper reply time.

• • •

In conclusion, we are still working on turning that club around, but the energy and the environment of that club has completely changed. We are still losing money in that club on a monthly basis, but it has been improved by 25%. What seems like a slow progress is progress in the right direction. There is a light at the end of the tunnel. The most important lesson that we all learned throughout this process, unfortunately, is a lesson that was taught to us before, but for whatever reason, we didn't pay attention. Here is the lesson: **There are no bad markets; there are bad attitudes and poor execution.**

(Mike Gelfgot immigrated from Tashkent, Uzbekistan in 1993, and since then, he's devoted his life to helping people get to a healthier place. Mike holds credentials from: NASM, CES, PN, TRX, FAI, FMS, and in 2012, he was the Anytime Fitness Personal Trainer of the Year. Mike can be reached at Mike.Gelfgot@cloud.com.)



Augie's Quest And Myzone Invites All Your Members To Participate In The Augie's Quest Myzone Challenge.

May 1st- June 18th

As We Raise The Funds To Introduce AT-1501 To Those Suffering From ALS.

This Spring Club Owners, Operators, and Members have the opportunity to come together and help raise the funds to bring AT-1501 to the marketplace.

ALS/TDI; officially known as The ALS Therapy Development Institute has been working with their passionate research team developing AT-1501 since 2013. Currently, it is being evaluated for safety towards humans. To move AT-1501 through a Phase 2 clinical trial, we will need to raise \$30,000,000.

We as ONE Industry, ONE Club at a time, with ONE Member at a time, can help raise these funds along with other major outstanding ALS Fund-raising efforts .

AT-1501 has produced the most exciting outcomes since the inception of ALS/TDI .

According to Steve Perrin, Ph.D, CEO/CSO, AT-1501 is the most effective potential treatment tested for ALS. It has shown in lab tests to achieve the following outcomes:

- Extended Life Span Significantly
- Delayed Disease onset
- Improved Body Weight, signaling that muscle is healthier
- Improved the percentage of neuro-muscular junctions allowing muscles to remain functional
- Decreased indications of inflammation in nerves and spinal cord

AT-1501 is an antibody with therapeutic and promising preclinical data. It blocks specific immune cell activation and may protect nerves against the progression of ALS.

Our INDUSTRY efforts will provide HOPE to all those impacted by ALS when we are able to obtain all the funding required to bring AT-1501 into clinical trial and beyond.

HOW CAN WE ALL COME TOGETHER AND FUND THE RESEARCH TO CHANGE THE WORLD FOR ALL WITH ALS?

Join the Augie's Quest Myzone Challenge!

When:
May 1st- June 18th

What:

- The Augie's Quest Myzone Challenge is a National Challenge that allows anyone with a Myzone Belt to participate by donating \$15.01 on the Myzone Challenge portal. There is no collecting of funds at the Club - it is seamless.
- All funds donated go directly to the ALS/TDI Research Center in Cambridge, Massachusetts

How:

- Club Owners accept the Challenge
- Participants accept the Challenge and make a \$15.01 donation
- To qualify for the Raffle, you must earn 1501 MEPS from May 1st through June 18th.
- Myzone participants can also earn an additional raffle entry for each 100 MEPS over 1501. 5,000 MEP max.

Why:

- It is the perfect timing for "Getting Ready for Summer Programming and Member Challenges.
- Over \$50,000 in prizes

The Real WHY:

- Be a Difference Maker for those impacted with ALS
- Help in securing the funds to complete the job on getting AT-1501 into the important Clinical trials with people suffering with ALS
- Provide HOPE for those with ALS who are looking to us to help them in their fight against ALS

All you have to do as a Club Owner or Operator is accept the May Augie's Quest Myzone Challenge. Upon accepting the Challenge, your members and staff can join the Challenge by donating \$15.01 on the Myzone portal. There is no financial involvement by the Clubs, it is all done online upon registering for the Challenge.

Once you earn 1501 MEPS, you will automatically be entered into the Augie's Quest Myzone Challenge Winner's Circle and have the opportunity to win prizes that are valued at over \$50,000.

Here are a few Industry Leaders that will be involved in the Augie's Quest Myzone Challenge.



Paula Neubert

"Greenwood Athletic and Tennis Club Members can't wait to get started. This challenge is going to be fun, motivating and inspiring. Each day we take another step, we know we will be helping a friend or stranger have the opportunity to do the same. The money we raise will put AT-1501; a drug that may protect nerves against the progression of ALS, into clinical trials. Join us and make a difference!"



Aaron Moore

"VIDA Fitness is getting involved for two reasons. First, we believe we share an obligation as an industry partner to support the honorable work of Augie's Quest and its many partner clubs around the country. Our industry is based on the fundamental concepts of activity and movement. ALS is an aggressive disease that takes away that very activity and movement we all enjoy. Second, the Augie's Quest Myzone Challenge is a fun and effective way to engage our members. We find that our members are a competitive bunch, so activities like this challenge are a great way to achieve our purpose of making lives better."



Jen Poljacik

"Who can resist a Myzone challenge, especially one that can make an impact on finding a cure for ALS. This Spring our members at River Valley Club, will be working to get in shape for summer but more importantly we will be working hard to raise awareness and funding for AT-1501 and Augie's Quest!"



Ralph Rajs

"Running the first Augie's Quest Myzone Challenge gave me a great opportunity to engage with members & staff at Club Sport while making a difference finding a cure for ALS. This is truly a win-win program."

"The Augie's Quest Challenge is a great way for our members at Hockessin Athletic Club and the community to leverage the Myzone technology to raise money to cure ALS as well as get into shape for summer."



Bob Carpenter



Larry Connor

Down here in New Orleans, we need a good challenge to get us going after Mardi Gras. Myzone challenges everyone to do more than they would normally do. Challenge for a great cause - Augie's Quest. Funding is needed to bring AT-1501 to people who need it, so let's get moving. Accept the challenge and join Stone Creek Club & Spa in May!



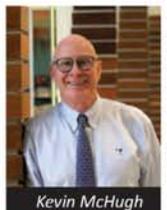
Kristi Redl

"All Sport Health & Fitness has a passion for supporting & giving back to our community. Our facility supports & gives back to our community and its causes on both local & national levels. To us, strength in numbers takes on a whole new meaning as we gear up to be a part of the Myzone Challenge supporting vital ALS efforts to make AT-1501 available."



Eddie Tock

"Augie has inspired many of us to look beyond our challenges and make a real difference in this world. The Augie's Quest MYZONE Challenge is a great opportunity for all clubs to really make a difference both in their own community and for a wonderful cause to help find a cure for ALS!"



Kevin McHugh

"The Atlantic Club is excited to work as ONE INDUSTRY and support all of the efforts that will bring AT-1501 to all those with ALS. Our goal is to have over 1,000 Clubs join the effort utilizing the power of The Augie's Quest Myzone Challenge and be part of this effort that can change the world with individuals and families that have been impacted by ALS."

To register your club go to:
myzone.org/1501-club

Eleven Predictions for the Fitness Industry in 2018

Part II

By: Stephen Tharrett & Mark Williamson

Last month, we presented the first five of eleven fitness industry predictions for 2018. They were: **1. Business Model Migration to the Poles Accelerates.** **2. Cut Rate Clubs Get Cut Throat.** **3. Mobile Apps become a Requirement.** **4. Monetization and Engagement will be "CRISPRed" into the Industry Genome.** **5. Social Fitness will become the Norm.**

To learn more about each of these, you can read **Part I** of this article at www.clubinsideronline.com. This month, we will complete the article with predictions six through eleven:

6. Marketing to Drive Different Will Trump Marketing to Drive Body Count.

The fitness industry, with few exceptions, has placed its marketing bets on programs and tools that are price-driven and traffic-driving. As a result of this obsession with discounts, special deals and the get-them-in-the-door mentality, industry marketing has created a landscape where consumers have minimal awareness or understanding of the brands in their market; instead, what they know is what it costs, not who is offering it or why they are different. Over the past few years, ClubIntel has conducted brand health studies for a variety of fitness brands. In nearly every instance, we've found a disturbing sea of sameness, where no one knows your brand's name or what it stands for. Consequently, in an era of hyper-competition, where standing out and

being different matters, clubs are heading down the wrong worm hole, believing that inundating the market, including the digital stratosphere, with ever-more enticing call-to-action marketing will turn the tide. While our findings only represent a small sample size, we believe that 2018 will be the year clubs and studios finally realize they need to tell their story. By the way, that story better be relevant and unique, or as Youngme Moon says in her book *Different*, "The objective is not to blend into the blur; the objective is to stand out from it."

7. The Franchising Tsunami Will Reshape the Industry.

Over the past few years, the fitness industry's growth, both traditional clubs and boutique fitness studios, has been spurred almost entirely by franchise business models. In the fitness club sector, the largest players in the industry are now franchise models (e.g., Anytime Fitness, Gold's Gym, Retro Fitness, Planet Fitness, Crunch, Smart Fit and World Gym). In the world of boutique fitness studios, franchise models are garnering most of the attention and the vast majority of investor capital (e.g., Core Power Yoga, Pure Barre, Orangetheory, 9Round, CycleBar and others). By year-end 2017, we calculated that the top ten boutique franchises had over 3,000 locations, and the top ten club franchises operated over 6,000 locations. The fact is the leading club and studio businesses by facility count, other than CrossFit, are all operated under a franchisee umbrella. In 2017, several

franchisors achieved milestones for growth and market penetration. What most don't realize is this growth in franchises is not so much the result of fitness entrepreneurs entering the market; instead, it is the entry of investor groups (Private Equity) and non-fitness serial entrepreneurs who have reaped their success in other franchise-driven businesses. We see this trend accelerating in 2018, as more non-fitness professionals enter the industry through the franchise pipeline. We also postulate there will be a higher rate of turnover and failure among fitness franchisees due to the oversupply of facilities and competition between franchisors within a given market.

8. Internet Middlemen and Digital Aggregators Change the Sales Landscape.

Internet Middlemen have been flirting with the fitness industry for the past seven years; quite the long romance. Well, it appears that 2018 might be the year all that romancing finally takes hold. In 2017, according to the *2017 International Fitness Industry Trend Report - What's All the Rage*, only 4% of operators indicated they were entered into a relationship with one of the numerous Internet Middlemen now populating the cloud. Interestingly, 26% of boutique group exercise studios and 12% of commercial premium clubs are in relationships with these disruptive access providers, a forewarning of what is to come. In the past few years, we've seen the number of Internet Middlemen providers flourish in a rush to leverage what is likely to become the norm for fitness consumers over the next decade. The most recognized platforms in this arena are industry stalwarts ClassPass in the U.S. and PayasUgym in the U.K. More recently, we have seen the emergence of other key players such as FitReserve, Dibs, Lymber, Reserve by Google, Move GB, Zeamo, and most recently, POP!n which offers pay-as-you-go by the minute. What each of these unique digital access platforms does is offer consumers an alternative approach to accessing and using a fitness club or boutique fitness studio. As Millennials, and soon Generation Z, both digital native generations, exert their influence on the nature of doing business in the 4th Industrial Revolution, we suspect that Internet Middlemen will become more the norm than the outlier.

9. Mobile Wallets and Digital Payment Systems Emerge.

The fitness industry, like many retail and hospitality businesses find themselves overly dependent on "heritage" payment systems (EFT, credit card processing) in an era (4th Industrial Revolution) where consumers are moving toward digital payment platforms (e.g., PayPal, Authorize.com, Skrill, Stripe and



Stephen Tharrett



Mark Williamson

Square Cash) and mobile wallets (e.g., Android Pay, Samsung Pay and Apple Pay). In a 2016 report by Accenture Consulting, they defined this era of digital payment solutions as, "The Edge of a New Frontier." According to their study, consumer awareness of digital payment solutions is at an all-time high, and according to their analysis, we are now at a point where there is no turning back. Furthermore, the report indicates that Millennials and mass affluents (the fitness industry bread and butter) are setting the path for these new digital payment options. We believe that the fitness industry will need to get on board quickly or risk being seen as dinosaurs by our largest customer and prospect base. When we speak of monetizing the member or client experience, digital payment platforms may likely determine whether tomorrow's consumer will purchase that personal training session, purchase a virtual fitness upgrade or even subscribe to membership.

10. Mobile 24/7 Virtual Fitness Emerges as an Important Engagement and Monetization Tool. We've all heard the (See *ClubIntel* Page 29)

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How to Skyrocket Sales in Your Gym Immediately!

By: **Jim Thomas**

Do you have a quality gym but are having difficulty getting more people to join? I've found that the solution to getting more people to join can be very basic. There are many little things that can be adjusted to make the membership sales process more effective. Here are a few thoughts I can share with you to *increase your membership sales immediately*.

These methods will work regardless of what your dues are or what system you are using to sell. That's the simplicity of this! These strategies can make a huge difference in your gym sales production if you just apply them.

...ClubIntel

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buzz about the virtues of in-club virtual group fitness as a value-add to existing business models, as espoused by suppliers such as Fitness on Demand, Les Mills and Wexer. What we've not heard enough about is how customized mobile virtual coaching and group fitness are emerging as critical engagement and monetization tools for existing fitness businesses. Innovative firms such as fitCloud connect, and more recently, FORTE, are changing how consumers work out, especially members of clubs and fitness studios. These platforms, and others like them, will allow clubs to give members access to their classes and instructors in real-time, or if preferred, on-demand. Studios who have adopted FORTE are able to stream their studio's classes in real-time or provide them later via on-demand. One of the more unique aspects of this particular digital platform, and we imagine soon on others, is the ability of members to interact in real-time with the instructor or fellow members taking the class. In talking with operators who have embraced this new technology, we've learned it has enhanced member/client engagement and retention, not to mention provided additional supportive revenues for the business.

11. A De-Humanizing New World of AI, AR and VR Enters the Frey. In his book, *The 4th Industrial Revolution*, Klaus Schwab, talks about this new era where how we work, live, play and engage each other fundamentally changes, resulting in our questioning what it means to be human. There are three technologies at the forefront of this shift: artificial intelligence (AI), augmented reality (AR) and virtual reality (VR). Collectively, these technologies will fundamentally change how many people pursue fitness and how many providers deliver the fitness experience. In the arena of AI, Precor and Technogym are now scratching the surface with their newest

1. Build Impulse With Your Gym Guest. Impulse is defined as your prospect's "willingness to buy." You must know that your gym guest's impulse is near ZERO when he first hears about your club. It is your job as a professional gym marketer and professional gym salesperson to raise the impulse with your guest by using a series of strategic steps until your guest joins.

Your membership presentation has to be well thought-out in order to raise impulse effectively. You must anticipate those points in the presentation where the club guest's impulse level will drop. Use the club's hot spots and benefits your guest would like to receive to raise the impulse

cardio products, and Planet Fitness is saying it will make AI an integral part of its value equation. But, this is only touching the surface compared to what some other platforms are about to launch. In the world of VR, two new offerings will have their coming out parties in 2018 (Black Box and Icaros), and others will surely follow. Finally, AR, which has made an enormous splash in other industries, is making its way to the fitness industry with devices by ARX and Mirror to Move. Some in the tech industry have inferred that AI, AR and VR could lead to the extinction of trainers, at least how we view them today.

Final Thoughts

Mark Twain said, "*Prophesy is a good line of business, but it is full of risks.*" That risk is brought forward in the following quote that appeared in Control Magazine, "*It is said there are two types of forecasts... lucky or wrong.*" Why share this as part of our final thoughts? We want to be forthright in saying that our prognostications are risky business, and chances are equally likely they are spot-on or wrong. We've tried to minimize the risk of being wrong by framing our speculations around data: broad industry data, socioeconomic data and our own internal data. As a result, we are confident in saying that our predictions for 2018 hold merit as a bellwether for what the fitness industry can expect in 2018 and beyond. We will be expanding on several of these prognostications in our talk at the 2018 IHRSA International Convention in San Diego in a presentation entitled, "*Dawning of a New Era for the Fitness Industry - A Period of Unprecedented Creative Destruction.*"

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

back up and always close at the very peak of his impulse level for best results. Treat it like its "Love at First Sight."

In the end, desire, without urgency, will not work, and the value must exceed the price. You can control both.

2. Leverage the Law of Averages In How You Go About Your Business Each Day. The number one way to double your membership sales is to double the amount of people you expose to your gym. Sounds simple enough, right? Every gym and every gym salesperson will have an inherent law of average. This law represents the relationship between the club guests that refused to join the club and those that actually did join. For example, a 1:10 law of average means that you must get nine "No" responses from a health club guest before you arrive at one sale.

Remember this is an *average*. It's not to be taken literally. You may sell the first two guests who come in today and then get 18 "No" responses in a row. At the end of the day, you average out your



Jim Thomas

"Yes" and "No" responses to get your law of average. Now, let's say you wanted to make ten membership sales today, if you spoke to 50 people today and made five membership sales, then how can you make ten membership sales tomorrow? That's (See *Jim Thomas Page 30*)

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right. Talk to 100 people.

3. The Second Sale and Upselling. I think this is one of the most common areas where gym owners and salespeople really drop the ball. They invest all this time and money into finding prospects, getting them in the door, finally getting them enrolled in the club... and they simply stop selling. Never forget this... You have a buyer here. *Buyers buy, so keep selling.* Suggest other club services or products that might benefit your new member: Personal Training, Nutritional Supplements, Gift Cards, Locker Rental... whatever the case may be, you have to sell more to your new member or at least generate another lead from this new membership sale. Ask them what friend or family member could benefit from losing weight or getting back into shape.

All you have to do is ask. What's the worst that can happen? They might say, "No." Big deal!

4. Regardless of Circumstances, Be Sure Everyone Gets A Presentation. It's easy to get sidetracked. The prospect says something like, "I just want to take the class. I'm just working out with my friend. I came by to pick up prices. My spouse asked me to stop by," and the list goes on and on. We have had clubs more than double their membership sales by following this one simple tip.

5. Treat Every Prospect Like They Are a Buyer. This is the cousin of never prejudice. More sales are lost every day because we have already made up our mind that the prospect will not buy. One of the secrets here is that you must be 100% sold on the fact that you can solve your prospects' problems. You must be 100% sold that you have the best gym to solve his problem,

and you must be 100% sold that now is the right time to get started. Selling yourself is the first sale you have to make for success.

Now, go sell a membership.

(Jim Thomas is the Founder and President of Fitness Management USA Inc., a management consulting, turnaround and brokerage firm specializing in the fitness and health club industry. With more

than 25 years of experience owning, operating and managing clubs of all sizes, Thomas lectures and delivers seminars, webinars and workshops across the globe on the practical skills required to successfully to overcome obscurity, improve sales, build teamwork and market fitness programs and products. Visit his website at www.fmconsulting.net or www.jimthomasondemand.com)

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Thanks and Appreciation

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

A very sincere **Thanks and Appreciation** go to **Rick Caro, Dr. Gerry Faust** and the **Faust Executive Roundtable #1** for helping me decide in 1993 what my home-based business would be. **Thanks and Appreciation** to my long-time friends, **Ron Hudspeth** and **Cathy Miller** of **Atlanta's Hudspeth Report** for the tremendous assistance they provided us during *our first eight years of publication*. **Thanks and Appreciation** to all of the folks at **Walton Press** in Monroe, Georgia. They've done an absolutely excellent job for us all these years and have printed every one of our **291** monthly editions! **Thanks and Appreciation** to all of our **READERS**. Sincere **Thanks and Appreciation** to our **Club Insider Advertisers**, past and present, for their kind and dedicated support of this publication. It's amazing to know that we have several advertisers with over 15 years of continuous advertising with us. We also want to say sincere **Thanks and Appreciation** to all of our **Club Insider Contributing Authors**, past and present, who've contributed *thousands* of excellent articles to help our readers with their Best Business Practices. **Thanks and Appreciation** to **IHRSA** for all it does.

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

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

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

Norm Cates, Jr.

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