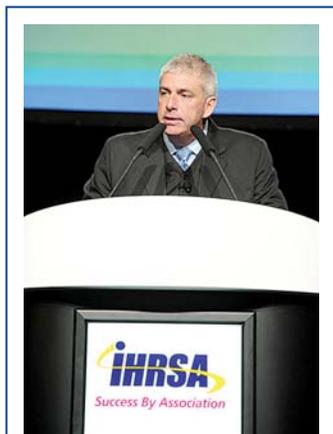


Norm Cates' CLUB INSIDER™

The Pulse of the Health and Fitness Club Industry

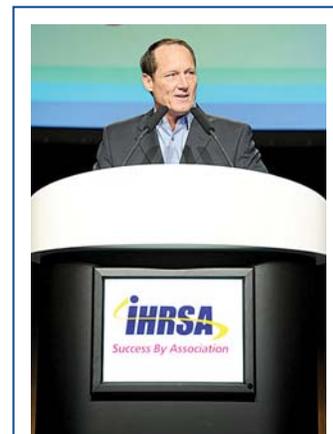
IHRSA Special Edition!



IHRSA Chairmain, Bill McBride,
Addresses IHRSA 2013 Audience



Joe Moore (R) Presents IHRSA's Inaugural Lifetime Achievement Award to IHRSA Founder, Rick Caro



Incoming IHRSA Chairmain, Brent Darden,
Addresses IHRSA 2013 Audience

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IHRSA Soars!!! Caro Honored

APRIL 2013

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The Pulse of the Health and Fitness Club Industry

IHRSA Soars!!!

By: Norm Cates

**A Special "Insider Story"
Featuring Comments From The
Guys Who Make IHRSA Go!**

On the heels of IHRSA's 32nd Annual Convention and Trade Show CLUB INSIDER has reached out to IHRSA leaders Bill McBride, Joe Moore and Brent Darden, for their comments on IHRSA, in general, and on the recent IHRSA event held in Las Vegas, March 19 - 22nd.

For anyone who's not familiar with IHRSA, the 32-year running, Boston-

based International Health, Racquet and Sportsclub Association has over 9,500 member clubs in over 70 countries. IHRSA is a 501(c)3 Not-For-Profit Trade Association whose focus is success for their member clubs.

IHRSA's Mission Statement

IHRSA's Mission Statement is: To grow, protect and promote the health and fitness industry, and to provide its members with benefits that will help them be more successful.
(See *IHRSA Soars!!! Page 14*)



Rick Caro Receives IHRSA's First Lifetime Achievement Award

Rick Caro, a 40-year fitness and health industry veteran, was honored with the inaugural IHRSA Lifetime Achievement for his tireless work, innovative ideas and leadership. Caro received the honor on March 20, at 8AM, during the Opening Session of IHRSA's 32nd Annual International Convention and Trade Show in Las Vegas.

Caro, IHRSA Founder, is a past IHRSA Board President and two-term Board Member, authored the preeminent industry textbook on financial management and educated thousands of industry professionals on the finer points of financial management at the IHRSA Institute, IHRSA Convention and other industry events, including producing IHRSA's Financial Panel. Caro was directly involved in creating the Industry Data Survey and establishing industry financial benchmarks. He founded and currently moderates the annual Financial Panel at the IHRSA Convention, uniting the health



Rick Caro

club industry and financial community. He has been a club owner and operator, creating one of the largest club companies at the time, and has served as an industry guru to the sport.
(See *Rick Caro Honored Page 7*)

Joe Weider Passes Away At 93

By: John Rogers, Associated Press

Joe Weider, a legendary figure in bodybuilding who helped popularize the sport worldwide and played a key role in introducing a charismatic young weightlifter named Arnold Schwarzenegger to the world, passed away at the age of 93.

Weider's publicist, Charlotte Parker, told The Associated Press that the bodybuilder, publisher and promoter died of heart failure at his home in Los Angeles' San Fernando Valley.

"I knew about Joe Weider long before I met him," Schwarzenegger, who tweeted the news of his old friend's death, said in a lengthy statement posted on his website. "He was the godfather of fitness who told all of us to be somebody with a body. He taught us that, through hard work and training, we could all be champions."

A bodybuilder with an impressive physique himself, Weider became better known in later years as a behind-the-scenes guru to the sport.

He popularized bodybuilding and spread the message of health and fitness worldwide with such publications as Muscle & Fitness, Flex and Shape. Schwarzenegger himself is the Executive Editor of Muscle & Fitness and Flex.

He created one of bodybuilding's pre-eminent events, the Mr. Olympia competition, in 1965. He added to it the Ms. Olympia contest in 1980, the Fitness Olympia in 1995 and the Figure Olympia in 2003.

He also relentlessly promoted Schwarzenegger, who won the Mr. Olympia title a then-record seven times, including in 1980 and every year from 1970 through 1975. "Every sport needs a hero, and I knew that Arnold was the right man," he said.

Weider brought Schwarzenegger to the United States early in his career, where he helped train the future Governor of California as well as aided him in getting into business. Schwarzenegger also said
(See *Joe Weider Passes Page 8*)

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- Bash for Augie's Quest Raises More Than \$1.6 Million for ALS Research
- 24 Hour Fitness Shakedown Stuns Key Leaders!
- Crunch Franchising Announces Deal with Fitness Holdings and RLB Holdings
- And of Course, *Norm's Notes*

Norm's Notes

•**Hello Everybody!** This is your **CLUB INSIDER Tribal Leader and Publisher** Since 1993 checking in!

•**Is America a great country, or what? Was IHRSA32 in Las Vegas a huge hit, or what? Hmm... Hmm... Hmm!**

•**Folks, I must start off by telling you about the most amazing thing I've ever seen in my life!** It happened in **Las Vegas** at the **8th Annual Augie's Quest Bash for the Cure**. The most amazing thing I have ever seen in my life was **AUGIE NIETO**, with his loving wife, **LYNNE**, by his side, while he did 20 leg press reps with a 100 pounds on a machine that **Hammer**

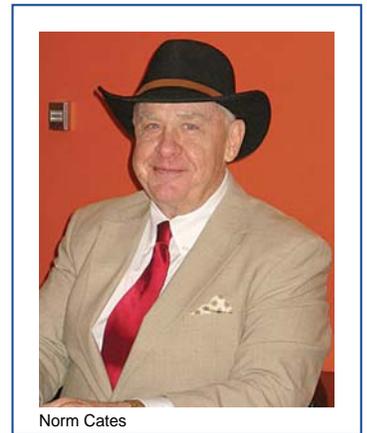
Strength's GARY JONES had built for him (Gary is the son of **Nautilus Legend ARTHUR JONES**). To understand the magnitude of this achievement, first you must know that Augie was diagnosed in March of 2005 with the horrible disease, **ALS**, also known as Lou Gehrig's Disease. You must also know that the typical life span of ALS patients is three to five years. Augie has made eight years. Some other things that are important to note are that Augie and Lynne Nieto, with the great assistance of Bash Chairman, Big John McCarthy and his fine Committee, raised over **\$1.6 million** on **Thursday night, March 21st**, bringing the **Augie's Quest total to date of \$36,996,009.53!** I urge you

to go to www.augiesquest.com and donate to this cause. **Who knows... you could be saving yourself, or a loved one, from this dreaded disease!**

•**Welcome to The JONAS SOFTWARE Company** as they were off and running at **IHRSA32 in Las Vegas** after acquiring **Club Solutions** from **Fiserv** just a few days before the event. It was great meeting **Jonas Software's BRUCE LEWIS, Vice President of Product Development**, and seeing long-time friend, **BARRY BLEUER**, again. Folks, this acquisition by this giant of a software company speaks extremely well for our industry because this is one real powerhouse of a company with 15,000 customers from a number of different industries! So, I'm real happy they picked our industry to enter! **Welcome aboard, y'all, and best wishes to all at Jonas Fitness as you move forward after this major acquisition!**

•**Word out of Chicago** is that **MARK TASCHER** has left **Bally Total Fitness** after six months and one day as CEO. Go figure, and **Stay Tuned!**

•**Thanks and sincere Appreciation** to outgoing **IHRSA Board Members: Former Chairman, DR. ART CURTIS**, and **KAY YUSPEH**. And, **Welcome and Best Wishes** to incoming **IHRSA Board Members BILL BECK, owner, operator and president of Club Fit; ALLISON FLATLEY, Chief Operating Officer of L&T Health and Fitness; and RASMUS INGERSLEV, CEO of low-price health club group Fresh Fitness and Wexer**



Norm Cates

Virtual in Denmark.

•**There were thousands of great citizens** from more than **70 great countries** around the globe in attendance at **IHRSA's 32nd Annual Convention and Trade Show** held **March 18 - 22 in Las Vegas**. Folks, just in case you missed it, this one was a **real doozie!** The Convention featured four **Keynote Speakers (See JUSTIN CATES' "Insider Speaks" Article on Page #6)** and the energy and excitement of the attendees was very apparent throughout the four days in Las Vegas, and especially at the **totally sold out Trade Show (The Trade Show was sold out thanks to the hard work of IHRSA's Tom Hunt! Great job, Tom!)**. As usual, everything was **world class!** In my opinion, this **32nd Annual IHRSA** event rivaled **IHRSA's 25th Anniversary** event held in **Las Vegas in March of 2006**.
(See Norm's Notes Page 8)



Augie Nieto Leg-pressing 120 Pounds for 30 Reps

About Club Insider

Established in 1993

20 Years and Counting!

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The “Insider Speaks”

Thought Provocation: IHRSA’s 2013 Keynote Speakers

By: Justin Cates

As a student of business, both in the theoretical sense and the practical application of principles, one of my favorite features of every IHRSA Convention and Trade Show is the diverse lineup of keynote speakers each year. Over the years, these great speakers have come from a vast array of backgrounds, from business to politics to science. This year was no different, and my hope for this article is to articulate the takeaways I left with and how they can be looked at in relation to our industry and its growth during this pivotal time in our history.

Dr. Nicholas Christakis Connected: The Surprising Power of Our Social Networks and How They Shape Our Lives

Nicholas Cristakis, MD, PhD, MPH, is a social scientist and physician who conducts research on social factors that affect health, health care and longevity.

As a species, humans are not individualistic creatures. Sure, we come in all shapes and sizes, races and creeds and have our individual thoughts about a myriad of subjects. As a whole, though, we thrive when in contact with others. We seek to be connected to our fellow man, and this affects us as individuals in many ways. It is a symbiotic relationship. Our individual personality will affect whom we connect with, but whom we connect with will also affect who we are and who we become.

Using over thirty years of data organized into an animated dot diagram that shows relationships between members of the population set, Dr. Christakis offered evidence that shows something as important as our health can be greatly affected by the relationships we build with others. We may have always sensed this was the case. We are happy when the people we are connected with are happy. We are sad when they are sad. We seek to do similar things with our friends, *such as being members of the same health club*. Dr. Christakis’ research, though, offers empirical data that effectively explains this phenomenon, even to the extent that if one’s friend or friends are obese, the odds are greater that they will be obese as well.

Industry Takeaway: We must embrace this and find new ways to connect our members together, *both inside and outside the club*. As social media continues to proliferate our daily lives, this will only become more prevalent because we are

always connected in some form. As an industry, we are in a learning phase with this now, and many club organizations are finding great ways to do so. It can be as basic as energetic group exercise classes and fun club parties, but intense boot camps and small group personal training that build member bonds have opened the eyes of a lot of people. This is just the beginning, though, so continue to find new ways to engage your members, and **MAKE IT FUN!**

Chip Conley PEAK: How Great Companies Get Their Mojo From Maslow

Chip Conley is the Founder of Joie de Vivre Hotels and author of the New York Times Bestselling book, Emotional Equations.

In a 1943 paper entitled, *A Theory of Human Motivation*, Dr. Abraham Maslow proposed a theory now known as Maslow’s Hierarchy of Needs in which the path for a human to reach his full potential goes through fulfilling specific needs in the following order: Physiological, Safety, Love/Belonging, Esteem, and finally, Self-Actualization. During his presentation, Chip Conley explained how his company used this model for employee motivation and why it made a difference. By moving through motivational factors such as *Money, Recognition*, and finally, *Meaning*, his company, in turn, and respectively, brought employees from having a *Job*, to having a *Career*, to having a *Calling*. This was known as their *Employee Truth*, and it was included in a larger *Hierarchy of Organizational Needs* that included the *Investor Truth* and the *Customer Truth*. The focus, however, was on the *Employee Truth* because they are the beginning and end to any organization.

Industry Takeaway: These concepts are nothing new, but they are structured in a way we may not be used to, which give them new voice. Obviously, sales come from customers, but employees are the key to keeping customers happy and spending. Why would an organization not do everything in its power to better its staff and keep them motivated to the utmost degree? If given the choice, would you rather have an untrained, disgruntled employee on the floor or a well-trained, super-excited and energetic employee out there? Would you rather have one who feels this is their seasonal job, or one who sees a *calling* in their work and feels their life’s worth is in what they are doing? The differences between these two

illustrations are stark, and that is the reason for their use. If you ever feel customers pulling away, talk to your staff as peers, not employees. They will have insights you might not have considered or even thought of, and that makes them your most valuable asset.

Peter Sheahan FLIP: Creative Strategies for Turning Challenge into Opportunity, and Change into Competitive Advantage

Peter Sheahan is the Founder and CEO of ChangeLabs, a global consultancy delivering large-scale behavioral change for clients such as Apple and IBM.

Using the backdrop of several industries that have gone through enormous change in the past decade, Peter Sheahan explained that, in every changing industry, the tools and technologies to manifest that change already exist. The keys, however, are to have enough foresight to see the change coming and to not fear adapting an organization to it. Those who do not adapt are left in the dust and may never catch up. He illustrated this point with several recent examples:

- He explained how AT&T continued to bank on land-based communication devices, though mobile technology already existed and was being fine-tuned. Do you have an iPhone yet?
- He also shared his experience at a conference in which the CEO of a large Cable Television company shrugged off the idea of streaming media becoming an issue within the next five years because of bandwidth capability (At the time, YouTube was capturing 2 billion video streams per day). Ever heard of Netflix or Hulu?
- Finally, he explained how Kodak, inventor of the digital camera, is now out of that business because they failed to adapt to the very technology they had created. Other companies have stolen the show.

In the studies of these companies, the difference ended up being two years between competitors. The earliest one to adapt, even if unsuccessful at first, became the market leader.

Industry Takeaway: Our industry’s technology has now caught up to our vision of long ago. Every year, more and more new companies are developing new technologies that are disrupting the fitness



Justin Cates, Assistant Publisher

industry, and that is a very good thing. Every person on this planet is different, but we are creating an industry toolbox that will enable us to find the winning solution for any type of person who comes in our facility. Our industry is about results. If we cannot provide them, we cannot thrive. So, continue to educate yourself on the newest technologies and techniques and provide them to your members. That is what they are paying your organization for. Do not be afraid to try new things and fail on a small scale. Be afraid of not trying new things and failing as an organization.

Bert Jacobs Optimism Can Take You Anywhere

Bert Jacobs is a Co-Founder with his brother, John, of Life is Good, an optimistic apparel and accessories brand featuring positive messaging and comfortable fits for men, women and kids.

If you attended all of the keynote addresses, you might be wondering why I have saved Bert Jacobs for last since he was actually the first speaker of the series. The reason is *full disclosure*: unfortunately, I was not able to attend this keynote address, and audio is not available from IHRSA for the keynote addresses. However, though I was not present, I think a lot can be gleaned from the title of his presentation: **Optimism Can Take You Anywhere.**

Industry Takeaway: MAKE IT FUN! It is contagious!

(Justin Cates is the President and Assistant Publisher of CLUB INSIDER and grew up in the health, racquet and sports club industry. Justin may be reached by phone at 770-595-6086 or email at Justin@clubinsideronline.com)

...Rick Caro Honored

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consultant dedicated to the health club industry for the last 30 years. As president of Management Vision, Inc., a New York City-based, leading consulting firm specializing in the club industry, Caro has consulted with over 2,000 clubs.

Upon receipt of the first-ever Lifetime Achievement Award from IHRSA President and CEO, Joe Moore, Caro addressed the audience. Here are his comments word for word:

"Thank You. I am humbled by this Award. I feel very fortunate serving as the first recipient. If anyone can find a career where you can have an adequate lifestyle that meets your needs, that is a Win. However, if you can do that and find real passion in what you do, that is a Double Win. But, if you can find the right career for which you have passion and that provides best friends along the way, that is a Triple Win. Thank you all for a Triple Win.

Upon reflecting on my early years in the club industry 40 years ago (And yes, I know some of you were not born then):

- There was no Electronic Funds Transfer (EFT) vehicle for payment;
- There was no electronic cardiovascular equipment and no entertainment systems;
- There was only one type of group exercise class: high intensity and all classes were labeled "Aerobic Classes";
- Some fitness clubs were so small they only had one locker room; hence, women used the club Monday, Wednesday, Friday and men on Tuesday, Thursday, Saturday;

there were no multisport clubs;
•The club industry overall penetrated less than 5% of the U.S. as health club members.

When I hosted six other club owners to form IHRSA in my NYC office 32 years ago, we were all entrepreneurially driven. The theme was one of sharing and developing best practices. It continues today; the big change is that IHRSA now has over 9,500 member clubs in more than 75 countries and is growing. You are really the big change. As the club staff has become more degreed and certified, the industry has become more professional.

I would like to ask that the lights be brought up. I would like to thank the over 100 people who have ever served on the IHRSA Board. Your leadership has made a difference. Please stand. Let's thank them.

Then, there is the IHRSA staff, first led by John McCarthy and Joe Moore. They have delivered exemplary service for over 30 years for you. Will all the staff please stand? Let's thank them.

And, there is all of you, the heart and soul of IHRSA. I hope you will continue to get involved in IHRSA, support it and drive it to the next level.

Finally, on a personal level, I want to thank my wife, Sue, who has put up with my many long hours working and volunteering in this industry. She has been so supportive. Thank you.

But, let's remember that we as an industry serve only 15 - 16% of the U.S. population. That is all who are health club members. Impactful, but not satisfactory. There is the story of Mike in

New Hampshire, an owner of three clubs. He wanted to reach out to those in the U.S. who have medical issues and others who did not want a general club membership. He got a bunch of technology groups to create a portal, rounded up seven other New Hampshire clubs and trained staff to be experts in more than fitness. A real wellness concept was created.

Let's fast forward three years. Now, those 10 clubs are in a Network helping Type 2 Diabetics have individualized programs and get off medications. Severely overweight are off cholesterol and triglyceride pills and are no longer dealing with absenteeism. The largest

health insurer wants to promote the whole network to all of its subscribers. The American Heart Association has endorsed the program. The State of New Hampshire wants to get its employees to enroll. And, major corporations are paying for their high-risk employees to go to clubs because they now see the benefits. Now, other New England clubs are joining the Network.

The conclusion is that we can all think "bigger," think of how we can make a greater impact on our surrounding communities. So, let's all think like Mike and really make a difference in the future.

Thank you again for this honor."
(See Page 26 for an Interview with Rick Caro)

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...Norm's Notes

continued from page 3

Then, just like last month, thousands of IHRSA fitness professionals from 70+ countries attended that 2006 conference, reportedly the highest attendance in the Association's history at that time, according to IHRSA. I'm looking forward to our next IHRSA Convention to be held in my favorite IHRSA convention city, **San Diego, next March 12 - 15, 2014**. Make plans now to be there!

• This IHRSA Special Edition, celebrating our 32nd Annual IHRSA Convention and Trade Show, for the first time in 20 years of CLUB INSIDER editions, features two very special cover stories with the first entitled, **IHRSA SOARS!**, and the second entitled, **RICK CARO HONORED!** In the cover story, **IHRSA SOARS**, we feature interview comments after the Convention from **IHRSA's top leaders: BILL McBRIDE, Chairman of the IHRSA Board; JOE MOORE, President and CEO of IHRSA; and BRENT DARDEN, IHRSA's incoming Chairman of the Board** (As of July 1, 2013). The cover story, **Rick Caro Honored**, features comments from the one and only great guy himself, the man who dreamed IHRSA up, and my friend for the past 35 years, **IHRSA Founder, RICK CARO**. So, read on and enjoy!

• This IHRSA Special Edition would not be complete without mentioning the four other IHRSA Award Winners. **RON and SANDY FRANCO's Athletic Club in Mandeville, Louisiana** were honored with IHRSA's Community Service Award. The 5th Annual **JULIE MAIN WOMAN LEADER SCHOLARSHIP** winner was

RADKA DOPITOVA WILLSON, M.Ed., M.S., a fitness specialist at **The World Bank Fitness Center in Washington, DC**. This scholarship is awarded annually to a female who exemplifies what Julie Main stood for: **Courage, Perseverance, Excellence and Professionalism** with significant contributions to the industry and their community. The **John McCarthy Visionary Award** went to **Zumba Fitness** and the **Associate Member of the Year Award** went to **Hoist Fitness**. **Congratulations to all!** Included in this issue, **JUSTIN CATES** has written a terrific summary of all four **Keynote Speakers** presentations, including that of **DR. NICHOLAS CHRISTAKIS**, whom I'll forever hereafter refer to as "Dr. Dot!"

• Thanks to **IHRSA President and CEO, JOE MOORE**, and to this special event sponsor, **Chobani Yogurt Company**, for producing a very nice **President's Reception**. My son, Justin, and I enjoyed attending. It was nice to sit down for a bit there and chat with **MR. JOHN AGLIALORO and his lovely wife, JOAN CARTER**. To say that the man (and his wife, Joan) had big smiles on their faces after taking **Cybox International** from a public company back to a private one on February 6th, would be a *big understatement*. Here's a man who's given new meaning to the term "multi-tasking." I say that because, while he continued his involvement in the day-to-day operations of Cybox, at the same time, he was taking the company from public to private, and he became a moviemaker, producing the amazing movie, **Atlas Shrugged**, and recently produced a sequel to it. **Congratulations "Mr. A" and Ms. Carter!**

• **RODNEY STEVEN, III**, the **Founder and Owner of 12 upscale Genesis Health Clubs in Wichita, Kansas**, is an *up and coming industry star* and a *leader you should look up to because of what he's very close to achieving with determination, hard work and investment of his own money in his State*. This young entrepreneur has taken on the YMCAs of Kansas and is well on his way to getting the Kansas State Legislature to pass House Bill 72, a new law that will eliminate separate tax exemptions for nonprofit facilities, as opposed to for-profit fitness clubs. Steven has invested \$45,000 so far to support legislators who are willing to help this important cause... **a cause that will put health clubs in Kansas on the same status as non-profits like the Ys when it comes to being exempt from property and sales tax**. This is a huge achievement, should he finally succeed. **He has gotten HB72 passed the State Senate**. He's now working on getting it passed the State House of Representatives.

The legislative road is a long and hard one, however. I contacted Rodney Steven after IHRSA Las Vegas, and here's his feedback to my request that he confirm the current status of his legislative efforts. I quote Rodney: **"The bill was passed on the Senate Floor this session, and we still have hopes that it can make it through this year through conference committee for the House side. If not, we have next year to get it through the House as it is a passed bill on the Senate side."** So, things are looking very positive, folks, and I'll keep you posted. Importantly, Rodney Steven's success with this House Bill 72 in Kansas can definitely lead to such legislative change in other states. And, it should be duly noted that *Rodney is very active in IHRSA's Public Policy efforts*, having attended **IHRSA's Public Policy**

Meetings with him and about 40 other IHRSA Members every year for several years. Importantly, House Bill 72 states: "If a facility has cardio, weight training or strength equipment, it can qualify to be exempt from property and sales tax." Now, **THAT** will be an achievement that *can begin to put our entire industry nationwide on a level playing field with YMCAs, YWCAs and other Not-For-Profit facilities*, as far as property and sales tax exemptions. Should this happen, it will mean that Rodney Steven, III, all by his lonesome, will have achieved something that IHRSA had long ago given up on achieving and has not even been pursuing anymore. So, **Stay Tuned Folks!!!**

• **The 11th Annual Summit for a Healthier America** is just around the corner! Do you want to make a difference in America's health? Do so by joining your peers at the health club industry's most-forward thinking, premier advocacy event, the **11th Annual Summit for a Healthier America, May 14-15, in Washington, DC**. The *Summit for a Healthier America* unites health club operators, fitness professionals and industry leaders to explore ways to capitalize on the industry's entrepreneurial approach to fighting the nation's inactivity epidemic and transforming the health and prosperity of our country. **Attendance is free for IHRSA health club members**. Register and learn more at **www.ihrsa.org/summit**. The 11th Annual Summit for a Healthier America is proudly sponsored by **The American Council on Exercise** and the **National Academy of Sports Medicine**.

• **This from IHRSA's JOE MOORE:** "Greetings! IHRSA's 10th Annual *Get* (See Norm's Notes Page 10)

...Joe Weider Passes

continued from page 3

Weider helped land him his first movie role, in the forgettable film "Hercules in New York," by passing off the Austrian-born weightlifter to the producers as a German Shakespearean actor.

"Joe didn't just inspire my earliest dreams; he made them come true the day he invited me to move to America to pursue my bodybuilding career," the actor said in his statement. "I will never forget his generosity. One of Joe's greatest qualities is that he wasn't just generous with his money; he freely gave of his time and expertise and became a father figure for me."

Weider also mentored numerous other bodybuilders.

Born in Canada in 1919, Weider recalled growing up in a tough section of Montreal.

Just like the apocryphal tale of the skinny kid who starts working out after a bully kicks sand in his face, Weider said he was indeed a small, skinny teenager

picked on by bullies when he came across the magazine *Strength*.

He had tried to join a local wrestling team, he said, but was turned down by the coach who feared he was so small he'd be hurt.

Inspired by the magazine, he built his own weights from scrap parts found in a railroad yard and pumped them relentlessly.

Word of his efforts got around, and he was invited to join a weightlifting club.

"When I saw the gym, saw the guys working out, supporting one another, I was mesmerized," he recalled.

He won his first bodybuilding ranking at age 17, and soon after, began to publish his first magazine, *Your Physique*.

Later, he started a mail-order barbell business, and in 1946, he and his younger brother staged the first Mr. Canada contest in Montreal's Monument National Theater. At the same time, they formed the International Federation of Bodybuilders.

In recent years, Weider donated much of his bodybuilding memorabilia to



Arnold Schwarzenegger Raising the Arm of Joe Weider at 39th Annual Mr. Olympia Event

the University of Texas at Austin, which opened the Joe and Betty Weider Museum of Physical Culture in 2011.

He is survived by his wife.

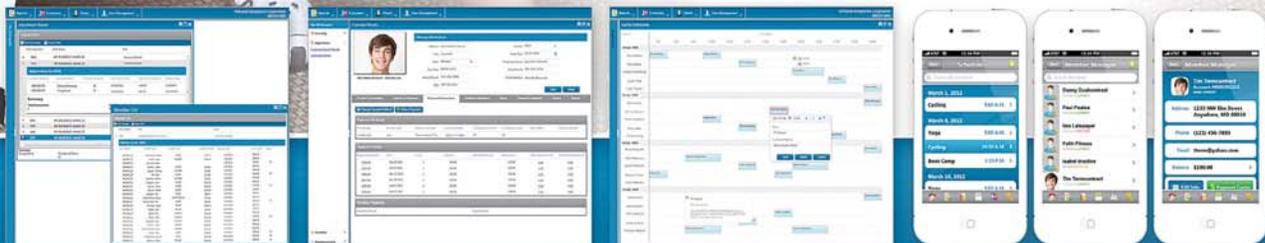
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...Norm's Notes

continued from page 8

Active America! gets underway on May 1st, and we would like to invite you to enroll your club(s). *Get Active America!* is a health promotion campaign aimed at establishing IHRSA clubs as the leading voice in their communities for healthy and active lifestyles. The campaign is designed as a vehicle to help clubs promote their existing health promotion program or launch a new program under a single, national brand. Participating in this important industry initiative has never been easier. New this year, *Get Active*

America! will run through the month of May to coincide with National Physical Fitness and Sports Month. Clubs that enroll in *Get Active America!* are encouraged to: Align a new or existing health promotion program (or programs) with the national *Get Active America!* brand. And, open their doors to their communities for at least one week in May; however, doing so is not mandatory. Contact **IHRSA at (800) 228 - 4772 for information.**

•The **IHRSA Trade Show** was quite good for a lot of folks, including **MATT ZAGRODZKY** and **RANDY IVEY** of **iGo Figure Software**. Here's a comment

made by Ivey about **IHRSA's 2013 foreign delegation**: "There was very much interest in our software because it converts to **Arabic, Chinese, Dutch, English, French, German, Greek, Hebrew, Hungarian, Italian, Russian, Spanish, Turkish and Ukrainian**. Especially from the **Russian group** that was the second largest visiting with **174 individuals**. We must have seen 70 or so at various times and are now considering going to the **Mioff 2013 in Moscow**. Club owners from 15 or more different countries visited the booth." So, good on you guys for exhibiting at IHRSA 2013! Like I wrote before about my observation was the Trade Show was a **Doozie** on the first day and *steady* the second.

•I ran into **DAVE GANULIN** at **IHRSA Las Vegas**, the gentleman who **Founded KettleBell Concepts** back in 2002. You may recall me writing about Ganulin in another **Norm's Note** awhile back. Dave sold kettlebells all over **New York City** until he eventually met **DR. PAUL JURIS** (Paul was the head of the **Equinox Fitness Training** program back then. He's now a **Senior Researcher** at **Cybex**). Paul was one of the very few who actually knew what a kettlebell was back in 2002. He said to Dave, "Sure! Kettlebells? Been around for hundreds of years... let's do something with them!" Dave then started doing kettlebell small group classes at **Equinox** all over NYC, and he was the first one doing kettlebell instruction in the entire company. Prior to meeting Paul, Dave was literally laughed out of nearly every gym he approached. Now, well, folks aren't laughing anymore. We know how popular they are now, and those gyms are now clients of **KettleBell Concepts!** I'm happy to report that Dave informed me that **Mad Dogg Athletics**, the company behind **Spinning**, as well as **Peak Pilates, Resist-A-Ball, Cross Core, BodyBlade** and a few other brands now own a piece of **KettleBell Concepts**. They're going to provide not only capital support (critical for any small business owner as all of you are aware!) but more importantly, offer up strategic support to help Dave take the vision he's had in his head since 2002 and make it a reality. **JOHN BAUDHUIN, CEO of Mad Dogg**, reportedly has an A+ reputation in our industry, and my gut tells me this is going to be a great match for both **Mad Dogg** and for Dave. **Congrats** to you both! And, **STAY TUNED!**

•**DAVID PATCHEL-EVANS, Founder of GoodLife Fitness Centers in Canada**, continues his long run of success after getting started in the industry over 35 years ago because of a bad motorcycle accident that put him in the hospital for a long time. God works in mysterious ways. Patch has announced that GoodLife has acquired an additional 13 clubs, all known as **Extreme Fitness Centers**. "We are thrilled to be acquiring these 13 new locations to further grow the options of locations

for our members and to welcome the **Extreme Fitness** members to the **GoodLife** family," Founder and CEO **David Patchell-Evans** said.

•Speaking of Canadians, **TRACEY BOURDON, CLUB INSIDER Contributing Author**, of the **Susan K Bailey (SKB) Advertising team**, has informed me that SKB has relocated to: **250 Sydney Street, Belleville, Ontario, Canada K8P-3Z3**. SKB Phone #'s and email addresses remain the same (See the **SKB Ad** on **Page #23**).

•**Best wishes to my Buddy, HENRY POLESSKY**, as he stopped by our **IHRSA Exhibit** with a couple of pals. Amazing how these true industry pioneers, like Henry really is, still show up at the **IHRSA Conventions** even after they've sold their big club operations. Henry continues to show up at IHRSA Shows even after selling his chain of **10 Fitness World Clubs in Vancouver, Canada**. And, it's great that Henry is one of the **Augie's Bash Committee Members! Thanks for everything, Henry!**

•Sadly, on **Page #3** this month, we pass on a report written by **JOHN ROGERS** of the **Associated Press** on the passing of a **legendary icon in bodybuilding, JOE WEIDER**. Mr. Weider died at his home on **March 23rd**, reportedly from heart failure. Weider was a *true giant* in the body building world *and* the body building publishing world, as he launched a number of magazines dedicated to the sport during his long career. Mr. Weider's greatest protégé, and later on, very strong supporter of Weider's publishing efforts, was another legendary icon, his friend, **ARNOLD SCHWARZENEGGER**. **May Mr. Joe Weider Rest In Peace.**

•In reply to an email from me catching up on their **Panel Meeting at IHRSA, DARON ALLEN, Visual Fitness Planner CEO**, wrote: "The event was amazing! We had nearly 300 people attend again this year! Everyone who attended thought they got great value from the **AMAZING PANEL!** We have even had several club owners now approach us and want to be on the panel! The panelists this meeting featured included: **IHRSA Board CHAIRMAN BILL MCBRIDE, LARRY GURNEY, BLAIR McHANEY, DAVID PATCHEL-EVANS, EDGARD CORONA, and BRYAN O'ROURKE.**"

•If you're a regular **CLUB INSIDER Norm's Notes** reader, you've seen me comment on one **STEVE BORGHI**. So far, I have been totally unable to find *anything good* to write about this guy. I've been informed by *two separate and independent sources* that Borghi was banished by his **WOW Partners** in Massachusetts. **Stay Tuned!**

•On a separate note, with respect to my **Note** last month about **THOMAS KULP** (See **Norm's Notes Page 12**)



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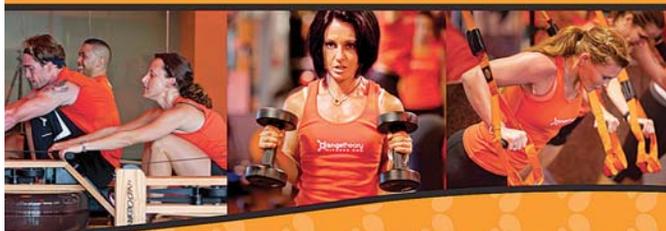


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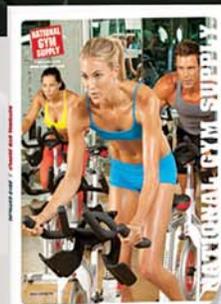
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...Norm's Notes

continued from page 10

being charged with the theft of over \$200,000, a good friend of mine made the point that there are always two sides to every story. Very True. **Stay Tuned!**

• **Congratulations** to my friend, **RICHARD EKSTROM, Founder of Retention Management**, as he and his **Team** are celebrating their **10th Anniversary!** Keep up the great work for the club industry, Richard! Also folks, check out their **new ebook** on *member retention* entitled, **Retention Connection**, which is

absolutely free to the industry. Check it out at www.retentionmanagement.com.

• **My friend, club industry veteran and former IHRSA President, STEVE THARRETT**, spent four years in **Russia** as a club consultant. His company's name is **Club Industry Consulting**, and he's available for assignments on a limited basis. Stephen is also a partner in **Club Intel**, which is focused on providing the global club industry with insight, inspiration and impact revolving around the emotional power of a brand and its ability to establish a powerful base of advocates and fans. During his time in Russia, Steve observed

that *dealing with Russia, and Russians, was a true challenge*. So, what did he do about it? He wrote a very interesting book entitled, **Surviving Russia**. Steve was very kind to give me a sample copy of the book, and I'm now in the process of reading it. I must say it's an interesting read. While not targeted to specific club business information, the content of his book provides information that living in America is truly a great, great privilege! Steve's book, *Surviving Russia*, is available in print and in an electronic version on **DR. JIM PETERSON's Healthy Learning** website: www.healthylearning.com.

• **PROJECT WALK CLAREMONT STUDIO** is a franchise that veteran club owner, **MIKE ALPERT**, who's **President and CEO of The Claremont Club in Claremont, California**, installed and operates at his long-running Claremont Club. This project is all about spinal cord injury recovery and helping paralyzed people walk again. To say that the video coverage Mike sent me on what's happening at their **Project Walk Studio** is *amazing* would be *less than full disclosure*. It's *not just amazing*. In my opinion, it's evidence that what Mike and his Team are doing is truly **divinely guided!** Congratulations to Mike and to **Facility Director, DENISE JOHNSON, on this work!** God bless your patients and both of you! Go to www.ProjectWalk.org, or to contact Mike or Denise directly, email malpert@claremontclub.com or DJohnson@ProjectWalk.com.

• It was just terrific seeing so many old friends at **IHRSA Las Vegas!** There is no possible way I can remember and give a shout out to everybody I ran into at IHRSA, so I'm not going to try. But, I am going to mention that it was great seeing such longtime friends as my pal, **RICK CARO**, and his lovely wife, **SUE**; **PAT LAUS** and her associate, **KEVIN McHUGH**; **RAYBOB** and **SANDI GORDON**, and their associates, **STEVE** and **KATHY VUCOVICH**, owners of several large **Apple Athletic Clubs** and **9 Planet Fitness Centers** up in Utah; **DOUG MILLER**, veteran club consultant based in the **United Kingdom** and his Associate, **CAROLINE SELDEN**; **JON WEBSTER** and his **National Gym Supply Team**; **MARK** and **DEBBIE EISENZIMMER**, and more and more and more! It was great seeing you all! And, **I LOVE YOU ALL**, whether we crossed paths or not!

• Great seeing **ROB GOLDMAN** of the **Columbia Association**, and former **IHRSA Board Member!** His organization is growing to four locations. **Stay Tuned!**

• Welcome to **New Contributing Author, Dr. KEVIN STEELE**. See his **Inaugural Article** Next Month!

• Glad to meet the **Stone Creek Boys, LARRY CONNOR, General Manager**,

and **MARVIN GRESSE, Assistant General Manager**, our banquet tablemates at the **8th Annual Augie's Quest Bash**. Their club, **The Stone Creek Club & Spa in Covington, Louisiana**, about 45 minutes north of **New Orleans**, opened just a few years ago. The club was designed by **HERVEY LAVOIE** and is as nice and well appointed as any club you'll see anywhere. **Stay Tuned!**

• **Eye-Pollution? Huh?** Folks, once again, I want to extend my **sincere apologies to all of you** for the personal "Eye-Pollution" I caused you to endure while we were at **IHRSA32!** I'm talking about the "Eye-Pollution" I now cause at my current big body weight and size! There were days in my past when I was *100 pounds lighter*. And, by next **March**, when we all head to **San Diego for IHRSA 2014, I fully intend to be 100 pounds lighter... again! Right now, after *re-engaging myself in daily walking and cutting out the real culprit, "The DEMON... SWEETS,"* I've lost ten pounds so far in my third venture in my life of losing 100 pounds! For those of you whom I've known for almost 40 years, this *isn't news!* **YOU do remember the 100 pounds lighter Norm, right?** For those who don't, let me give you a bit of my personal weight history. Just like *more than about two-thirds* of Americans, I've been fighting this "Battle of the Bulge" for a *long time*. In my case: **Since the 5th grade!** During my lifetime, I'm sure I've *gained and lost at least 400 pounds!* This is *not easy to write to y'all about, but it's the sad truth*. I'm very fortunate to have great health, despite my current weight and the roller coaster I've been on all these years.**

This datted "Eye Pollution," a **by-product** for everyone I encounter everywhere, is not on purpose, I assure you! Reflecting back to the year 2000, when I set out on a daily walking routine starting with just ten minutes a day, and I built up my daily routine so I was able to go non-stop for 9.6 miles, depending on the temperature and humidity. I would routinely walk 9.6 miles per day on weekends, and that would sometimes take me up to just under 3 hours. From 2000, up until 2011, *I walked at least 3.2 miles every single day of my life*. Then, one day, I was outside cutting the grass, and I tore a calf muscle very badly. The pain was so bad I could barely walk at all for several months, much less, walk 9.6 miles. But, before I injured my calf muscle and had to stop, I'd walked well over 9,000 miles on my daily routine of walking down by the river. I had also built my daily incline push-up count up to 250 per day, with 5 sets of 50 each. Yes, that was no typo... I wrote, "I walked well over 9,000 miles." I'm going to do lots and lots of miles again. My goal is to be able to go back someday and update my book, **Leaving FAT City!** and put it out again, as I did before, online. I greatly look forward to the day when I don't feel that I'm polluting
(See Norm's Notes Page 24)

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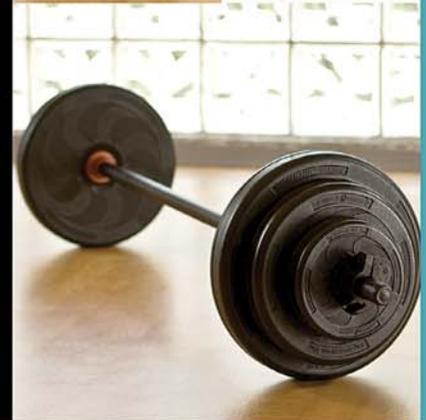
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...IHRSA Soars!!!

continued from page 3

IHRSA members represent health and fitness facilities, gyms, spas, sports clubs and suppliers worldwide. IHRSA and its members are dedicated to making the world healthier through regular exercise and fitness promotion.

IHRSA at a Glance

IHRSA members are for-profit businesses operating in the health, racquet and sportsclub industry. IHRSA members have set the pace for the industry's expansion and evolution.

- **Club Members:** Over 10,000 in 70 countries (June 2012);
- **Associate Members:** Over 600 Industry Suppliers;
- **Governance:** IHRSA is guided by a Board of Directors elected from, and by, the membership;
- **Affiliations:** IHRSA has affiliations with dozens of relevant government agencies and organizations, such as the First Lady's *Let's Move!* campaign and the President's Council on Fitness, Sports & Nutrition, multiple related international organizations, and several U.S. regional associations.

To celebrate IHRSA's just completed 32nd Annual Convention and Trade Show, **CLUB INSIDER** has reached out to IHRSA's leaders: Bill McBride, IHRSA Chairman (term ends on June 30, 2013); Joe Moore, IHRSA President and CEO; and incoming Chairman, Brent Darden (term begins on July 1, 2013). We thank each of them for taking the time to comment for this IHRSA Special Edition.

Comments from IHRSA Chairman, Bill McBride

CLUB INSIDER (C.I.) - Bill, when did you become involved in the club industry? When did you become involved with IHRSA?
Bill McBride (BM) - It was in Fayetteville, North Carolina in 1984 when I was back home from college for the Summer. There was a spa fitness center that had two clubs in town, one where the men went Tuesday, Thursday and Saturday at one location, and then they went Monday, Wednesday and Friday to the other. They each had one locker room and rotated days. My first year as an IHRSA Member was in 1991. I was with Smith Club Management at that time (a Charles E. Smith Company).

C.I. - What benefits did you see from your IHRSA Membership?

BM - The format of the formal and the informal learning is one big thing for me. The ability to go to the central repository and be exposed to the best and brightest of everything going on in the industry, from trending, new equipment sessions, to the IHRSA Institute... all that formal

education. To be able to go to one place and have access to it is great for me. The other aspect of IHRSA is the IHRSA Community. To me, the people that you meet become lifelong relationships. The conversations you have, "What are you doing about this? Or, we ran into that." These conversations based on these friendships whose genesis of people you met through the Association become instrumental in your growth and learning and how you deal with things. So, the collective body of knowledge in the open IHRSA Community where we share has really benefitted me. It's a very interesting dynamic to be able to go and get it and easily have an opportunity to build a lifelong relationship. The more you give, the more things come back. There are people that could be competitors 362 days a year and then the best and brightest come together and share to move the industry forward. It really seems like a unique dynamic that the industry has that IHRSA has become the central connection point for.

C.I. - When did you become interested in IHRSA Board Service?

BM - Which time? I applied in 2002. I applied in 2004. I applied in 2005. I applied in 2006. And, I took a year off and then had a conversation with Joe Moore at Babson College at the IHRSA Institute in 2007. He encouraged me to apply for the 2009 term. I did and was accepted. I applied four times. For lots of reasons that I completely understand, I was not nominated the first four times. If something is important to you for the right reasons, you shouldn't give up...

C.I. - How long have you served on the IHRSA Board?

BM - I've served since 2009, and this Summer will be the end of my term as Chairman. So, that would be from 2009 to 2013, four years. Then, I'll be extended for one year as Ex-Officio Chairman.

C.I. - What were your feelings about being elected Chairman of IHRSA's Board of Directors?

BM - You know, I was extremely excited to be a part of a Board of that caliber of industry leadership, and for my peers to have confidence in me being the Chair was humbling and exciting. It has been simply amazing to be a part of the Board of this great Association. When you talk about brand affinity, I've got such a strong brand affinity toward IHRSA. To play any small role in being a part of the leadership direction with that Board and that Team was one of the proudest times of my career.

C.I. - During your term as Board Chairman, what were your goals?

BM. - IHRSA's a juggernaut of an Association. There are a lot of moving parts to it. The primary goals were: First, to make sure that we continue fiscal responsibility with regard to building reserves, being able to withstand another recession. Additionally the Board and

Management operate with a 3-5 Strategic Plan; this is important to create continuity and direction over time. In addition to the fiscal performance and responsibility of the Association, there is a considerable amount of time on the value proposition for the owners (our members). That was a big thing and was something that, in 2009, when I first joined the Board, was a priority. Through the Board Members and leadership, including Art Curtis' Chairmanship, and my Chairmanship, this was a very big deal. IHRSA's doing remarkably well with regard to the Strategic Plan.

Another item was what programs are we going to do and how do we make sure that they are self-funding, so money could be used for advocacy, public policy and defense. So, our international shows are growing every year now. They are getting better and better each year. Pretty much all of the educational programming is better than cost neutral. So, expanding the program content and having those

Institute back.

Another goal achieved at the recent Las Vegas Convention and Trade Show was a real good example of the cultural piece of the industry. I'm excited about IHRSA and the role it plays in creating and maintaining the culture of the industry. Without that unifying body, you don't get the sharing, the collaboration and the thought leadership. You don't get all that. I think that IHRSA has a cultural vanguard role for the industry where it is that unifying force that brings the founding vanguard of the industry together with the newest editions and the changing business models. It's a cultural responsibility as much as it is a transactional activity bringing buyers and sellers together. So, what the Association does with regard to helping maintain the culture of the industry is a big deal.

The research and publications are a critical service IHRSA provides for the industry, and this continues to be more relevant.



IHRSA 2013 Trade Show Opens with a Bang!

programs grow and touch more members has been a big focal point of the Association.

We're now bringing back the IHRSA Institute. That was a project and endeavor that's been near and dear to my heart. I think the IHRSA Institute is a brand tool. It provides a curriculum and bonding experience for the next generation of leaders in the industry. They go to the Institute. They meet some of the faculty from the industry, where they can spend quality, one-on-one time. They find mentors. They find colleagues, and they network with them. They get exposed to the IHRSA Brand. So, for me, the Institute is a really big deal from the perspective of an opportunity to support your customer of tomorrow. IHRSA's an incredible Brand. So, the Institute is HUGE! I think retooling the IHRSA Institute is important so that there's more of a set curriculum versus just industry speakers coming together for a week. That's pretty exciting. That's a big deal for the Association to bring the

C.I. - Please tell us about IHRSA's Public Policy Department, one of my favorite subjects. Explain why IHRSA's Public Policy Department is so important to IHRSA Member Clubs, as well as non-member clubs.

BM - Public Policy at IHRSA (and I am not a big fan of the name Public Policy) plays a key role of acting in being the clearinghouse on what's going on in our industry legislatively. So, by playing the clearinghouse role, there's somebody on guard watching the gate and notifying the rest of us in the industry that, "Hey, we have something on the horizon that may be an opportunity or something on the horizon that may be a threat." The public policy function is a function of being that sentinel on post that's out there watching out for us and rallying when there's a need for defense, and also, making us aware when there is an opportunity for advocacy or proactive initiatives. And, the industry
 (See *IHRSA Soars!!!* Page 16)

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goes back and forth because there's a sentiment of "Let's not do anything that causes an eye from governmental agencies to be on our industry." Let's kind of be quiet about that and simply try to take a defensive posture. Then, there is also the, "Let's try to grow the pie; let's try to have some abundance here and put a spotlight on what this industry can do with some of the crisis in this nation." So, I think that public policy has historically tried to provide Defense versus advocate Offense and how to help grow the pie for the whole industry with regard to affecting those people who are not naturally inclined to just walk in our club doors. So then, there becomes the issue of looking at State, Federal and certain international threats. Certain countries that have things like music licensing, those kinds of things that may affect our industry globally, we have a responsibility for all of our membership to

C.I. - What do you see for IHRSA's future?

BM - I think IHRSA becomes more and more of a player at the table, if you will, with regard to things that affect activity in governmental and societal issues. It will become an even stronger resource with regard to research and involvement. What the Association did with the current administration on allowing Military Reservists' families to use commercial health clubs while their spouses and partners were deployed was a great way. There's a distribution network within the health club industry that a lot of other agencies and associations don't have. IHRSA can rally a large quantity of distribution of clubs around the country in short order, and that should be a very powerful mechanism to support some of these lifestyle issues.

So, IHRSA has got a bright future. It's fiscally sound. It's very focused. It's going to have a bigger role at the global table with regard to activity issues. It's typically been a North American trade Association with global leadership. I

IHRSA Members... what would you say to them about why they should *join IHRSA now?*

BM - *Together... we're better. Together... we're stronger.* This is not a club that's clicky. This is an accepting community that, if you believe in doing business with integrity and you're committed to the industry of helping people change their lives, you have a home within IHRSA as a "for profit" health club operator. So, this is a big tent that's welcoming... And, together, we're all better. So, my strong encouragement is for clubs to join and be a part of all of that we are working together to do. You have a family and a home just sitting there waiting for you. I think a lot of people don't understand that IHRSA is completely open, available and welcoming. By other people not getting involved, **it hurts THEM and it hurts the collective US!** To non-IHRSA club owners everywhere: **We want you! We need you! And, together we're better!**

C.I. - Sounds like a great song to me! Great interview, Mr. Chairman! Anything you'd like to add?

BM - (after chuckling about song comment) No, I think that's pretty much it. It's been an honor to serve IHRSA.

C.I. - It's been great to have you leading IHRSA this past year! You're wonderful, and we appreciate what you've done. I want to Thank You very much for your great IHRSA service, Mr. Chairman.

BM - You're the one who set it all up!

C.I. - Well, Uncle Rick and I burned a lot of midnight oil on the telephone when we were starting up IHRSA way back in 1980/81. But, Rick and Big John McCarthy *really did all the work!* It's pretty much a big thrill for Rick and I every time we get to go to our IHRSA Annual Conventions and Trade Shows. And, I was so thrilled that you guys honored Rick with IHRSA's first ever Lifetime Achievement Award! You could have looked forever, and you'd not have found anybody more deserving of that honor than Rick Caro.

About this interview, Mr. Chairman, I think I should point out to my readers, especially my non-IHRSA Member Club Owners, that I've been doing interviews with IHRSA leaders for years... 19 years and 6 months to be exact. So, after hearing your comments noted above about **"Together we're better!"** I want to mention that I think you've articulated IHRSA's open-door policy and acceptance of all clubs in this great industry as well as any IHRSA leader ever has in the past 32 years. So, *good on you* for that, Bill. And, Thank You, Mr. Chairman!

BM - I am very proud to have played a small role, and I'm honored to be a member of IHRSA. Kudos to all of those who have built this industry and association, and special appreciation to Joe Moore and his team.

Comments From IHRSA President and CEO, Joe Moore

CLUB INSIDER (C.I.) - Mr. President, tell us how you and your Team IHRSA are feeling after the terrific IHRSA Convention and Trade Show in Las Vegas.

Joe Moore (JM) - Norm, there is electricity in the atmosphere whenever the IHRSA membership gathers. It's dynamic, palpable and unmistakable, but this year's event received accolades exceeding my highest expectations. The IHRSA Board, Staff and I are elated by the results achieved by the networking, the quality presentations, the commerce occurring at the trade show and the energy, enthusiasm and drive exhibited by members and associates. This bodes well for the future of the industry and the IHRSA family.

C.I. - Please tell us about *IHRSA's sold out Trade Show...* an outstanding achievement. I congratulated Tom Hunt on a job well done when I saw him at the show.

JM - Thanks for congratulating Tom Hunt, for he and the IHRSA team members are consummate professionals who strive to make the convention and trade show an outstanding experience for all stakeholders. There is nothing like walking the trade show floor, examining the thousands upon thousands of ways the Associate Members advance the industry. This year, there were more launches of new equipment and services than ever before, launches that will help the industry thrive by better servicing members.

There is a wonderful cycle of commerce that occurs: The Associate Members sell safer, more effective equipment and services to the member clubs; the member clubs become more efficient and profitable; and, then are able to purchase additional equipment and services from the Associate Members.

C.I. - Tell us about **IHRSA2014** coming up next March 12 - 15th at my favorite venue, San Diego.

JM - Yes, San Diego is a favorite destination for the membership. We started planning quite some time ago, but the most intense work starts now. We will review the surveys completed by the stakeholders, looking for areas we can improve so the next convention and trade show will be bigger and better than this year. We already have some surprises in mind; but, if I reveal them now, they won't be surprises. So, hold on to your hat, San Diego is going to be fantastic!

C.I. - Please share *any special news from IHRSA*, or from the *IHRSA Convention and Trade Show* that you think our readers would be interested in.

JM - I believe the thing that is the most difficult to grasp is the scope of the event. Just think of the interactions that take place at the general sessions, the presentations, the venter seminars, the receptions, (See *IHRSA Soars!!! Page 18*)



Justin and Norm Cates Celebrating 20 Years of Publication at IHRSA 2013 Trade Show

pay attention to those.

Then, you've also got State versus Federal. To the degree that you can really have some impactful legislation, today may require more of a strategy toward tipping potentially favorable legislation. What Chuck Runyon and some folks are doing in Minnesota at the State level is pretty exciting. That's a State and IHRSA kind of coalition working to create favorable legislation for the State of Minnesota. I think that one of the critical functions of IHRSA is not being supported by a broad enough umbrella or broad enough participation of our overall memberships. There are about 100, or slightly less than that, organizations that are actively engaged in public policy. It would be nice if more clubs got involved in that and more clubs helped, because that's one of the key things about *together we're stronger*. We can do more for the industry overall with more involvement.

think that's going to continue with more and more international presence through education and support, and I think it's going to become a bigger entity.

C.I. - As you prepare for your last Board Meeting in June and soon will become Ex-Officio Chairman, what advice might you have for incoming IHRSA Chairman, Brent Darden, of Telos Fitness Center?

BM - I've known Brent for a long time. He is the right guy at the right time to help support Joe and the IHRSA Team and gives some directional guidance and support for our distinguished Board. I don't have any advice per se. He and I will talk regularly, and we will be working closely together throughout the next year. Brent is just a class act, and his heart is completely committed to our industry. We could not ask for a better Chairman for our Association. Brent is the real deal.

C.I. - To those reading this who are not



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Augie's Bash, the trade show, or just in the hallways. This year, folks received a better sense of size by using the blog, where there are scores of videos that represent many segments of the industry and by using the new IHRSA App. By the way, the App is not just a Convention and Trade Show App. It's a year-round tool for information, news, CBI Digital, IHRSA's Buyer's Guide and much more.

Norm, the people who missed IHRSA Las Vegas missed the event that defines the industry.

Comments From Incoming IHRSA Chairman, Brent Darden

CLUB INSIDER (C.I.) - Brent, **CONGRATULATIONS** on being named to be the next IHRSA Chairman! Please tell our readers a little bit about yourself, just in case they didn't read our **July 2007 CLUB INSIDER Cover Story** about your Telos Fitness Center. How did you originally become involved in the health, racquet and sportsclub industry?

Brent Darden (BD) - I've been really fortunate to experience health and fitness in a wide variety of settings over the last 30 years. Starting with working in a university setting; for a large church recreation center; with several large corporations in the Dallas area, working with Dr. Kenneth Cooper in a preventive medicine campus; and in the actual commercial club industry with everything from really small clubs to fairly large clubs. Like so many of my peers in the industry, I grew up, or maybe I should say I worked my way up after graduating from Baylor University with an M.S. in Exercise Science. I had the opportunity of working with quite a number of Fortune 100 corporate wellness programs, such as Texas Instruments, Perot Systems and MaryKay Cosmetics. Another highlight was my time working with Dr. Cooper, serving as the Vice President of the Cooper Aerobics Center. That was a very educational experience. Working as a consultant with clubs around the world on a variety of topics allowed me to gain lots of exposure that helped me grow professionally for sure. Of course, most recently, I'm currently the owner and operator of Telos Fitness Center in Dallas. Telos is a multipurpose, 68,000 square-foot club, serving the higher end of the market. Our membership right now is about 2,800. I'm really proud of the fact that, during our 10-year run, we were named Business of the Year in Dallas and were honored with the Greater Dallas Business Ethics Award. I guess the last thing I would say is that fitness is just in my DNA (laughs)! Like a lot of us who got in this industry, there's nothing like it. It brings a sense of purpose and satisfaction to my life that I guess I'd say kind of *'comfortably blurs that line between work and play.'* Sometimes, you don't know which one you're doing, and

it's nice when it works out that way.

C.I. - Did you have a good IHRSA Convention?

BD - I really did. I thought it was one of the better conventions we've had. I've heard a lot of good feedback. Everybody seemed to have a positive experience. Whether it was club owners, fitness professionals, or vendors/suppliers, everybody seemed very pleased, I thought.

C.I. - Yes, I've heard nothing but nice comments as well. So, moving on here, please tell us why you sought to serve on IHRSA's Board of Directors?

BD - Quite simply, it's the same reason that many of us got in the health and fitness industry to begin with. I just believe in what we are as an industry, what we're doing on the deepest level. I think providing environments, in this case clubs, that help individuals from all walks of life reach their wellness goals is rewarding, meaningful and responsible. As I shared with you many years ago, Norm, when we spoke about my career for the cover story, *I've always viewed my career as more of a calling than a career.* To have an opportunity to serve on the IHRSA Board has just been a blessing and sort of a natural *'next step'* in the industry for me. As club operators, we hope to make a positive difference in the lives of our members. We want to serve them well and help them reach their goals. And, help them, if you will, to help themselves. I think IHRSA has a philosophy that is very similar. Our aspirations are about making a positive difference in clubs, not just in America but also worldwide. IHRSA genuinely wants to do that. If I can help achieve that, I want to be a part of it. Then, of course, my affiliation as an IHRSA Member has benefitted me tremendously throughout my career. I certainly would not have had some of the fun and some of the successes I've had without that resource to fall back on and learn from. It's a pleasure to be able to give back to an organization that's served me so well.

C.I. - Brent, please summarize your thoughts about your 4-year IHRSA Board term.

BD - That's a good question. I think the most impressive thing that's happened during my tenure so far has been the overall experience starting from my first Board meeting. Even though I've enjoyed a long-term relationship with IHRSA over the years, participating in conferences, attending and instructing at the IHRSA Institute, watching webinars and so forth, I remember when I went to my very first Board meeting that I was really struck by several things. First, as I continue to share with new Board nominees, it really reminds me of showing up for a championship game or an all-star team. You look around the playing field, and you are just amazed by the talent that's on the field with you, and in this case, in the room. Some of the absolute best and brightest in our industry

are working together for the common good of health clubs. That was one thing that struck me. The second thing I remember was that, despite the fact that IHRSA stands for *International Health, Racquet and Sportsclub Association*, it never really sank in with me that the organization was truly a global force. But, when I sat at the table with fitness leaders from around the world who were also on the Board, it really brought this into reality. It's not just IHRSA's mission to serve the United States. It has a truly international reach as well. The last thing that kind of struck me was that IHRSA is doing so many things on so many levels on behalf of our industry that are pretty much all encompassing. Even the most loyal IHRSA members don't realize all of the ways that IHRSA's trying to help the industry, whether it's advocacy... or protection... or resources... or educational materials. Those are the three biggest things that come to mind for me.

C.I. - That's a great comment, Brent,

certainly agree that it's a huge honor. As I've told several people since being elected, particularly for someone like me as a single independent club operator, it means a great deal. I shared with the Board during the process, that few, if any in the industry, would characterize me as a *'mover or shaker'* in our industry. Nor would I really want them to. But, my respect for the legacy left by former IHRSA Chairpersons such as yourself, Norm, Rick Caro, Gale Landers, Art Curtis, most currently, Bill McBride, and so many others... those are big shoes to fill. Even though I may have not operated one of the largest clubs or the most clubs in our industry, you would be hard pressed to find somebody who's got a greater commitment to this role and is more sincere about wanting to serve well than myself. As I shared with somebody the other day, there's a lot of people who could serve as the IHRSA Chairman, there's fewer that actually want to serve as the IHRSA Chairperson, and then, there are some who would like to serve, but for



because you've really summarized very well, the evolution of the Association over the past 32 years in the one comment you just made. We really were pretty much a *'Mom and Pop'* when we started up. In the beginning, there were just two of us, with Rick Caro and I talking back and forth on the phone an awful lot between New York City and Atlanta to get things rolling. There was NO Internet. But, we both had telephones, and we went to town on them to get IHRSA rolling at the start!

C.I. - Being Chairman of the IHRSA Board of Directors is a huge honor for anyone in our industry. It's also a leadership job that involves selling IHRSA and its services every day and every chance you get. With that thought in mind, my question, Brent, is what are your thoughts about this honor, and actually, this real big challenge?

BD - I believe I am up for the challenge. I'm in the right time and place in my life where I can give time and energy. I would

whatever reason, personally or professionally, they just aren't able to serve at this time. I'm fortunate that I'm in a place right now that I can give it the attention it deserves and excited about the challenge of carrying on the tradition of the Chairperson position.

C.I. - Follow-up question, Mr. Chairman (to be), what can you say to our readers who're not now IHRSA Members, but really should be, about joining IHRSA?

BD - I think IHRSA is without question the single greatest resource for information and support that can help clubs be successful in this business. There is no greater resource in my mind to help club operators be successful, whether you're a single club, a multi-club, a chain, an express club, a studio... all of the above. I think the resources available through IHRSA; the online articles, the webinars, the website, the DVDs, the conference, the trade show, (See *IHRSA Soars!!! Page 19*)

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...IHRSA Soars!!!

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the forums, the networking you can do with other club operators are just absolutely invaluable! In addition to that, IHRSA's obviously actively promoting the benefit of exercise in our clubs. They're lobbying on our behalf for favorable programs and legislation. They're fighting in our defense against all sorts of issues that would be detrimental to our clubs and profitability. I would say genuinely, 'We need clubs to join us.' To join IHRSA, to make us stronger, to increase our voice and to share their passion beyond their immediate club or clubs. I know they believe in our industry because that's why they got in the business. I still refer to a book I read years ago, titled, *Everything You Need to Know You Learned in Kindergarten*. One of the things I know they still teach the young kids today is T.E.A.M., which stands for **Together Everyone Achieves More**. I think that's something we need to remember and coalesce around as an Association. Most of us got into this business to help people feel, move and look better. If we want to get more of the population to join our clubs, and become more active, we need to work together. IHRSA is the absolute best organization to help make this happen.

C.I. - Well Brent, I totally agree with that. The great thing, from my perspective, is that

this movement is now happening in IHRSA, and I'm going to emphasize this because you just mentioned it. We now have a real good, solid movement towards **INCLUSION** of everybody, as opposed to this myth that has previously existed, which was that IHRSA was solely for big-time, big-club operators with 68,000 square-foot clubs or such. Well folks, it ain't! We need to include somebody with a 1,000 square-foot gym, as they ought to be an IHRSA Member. Hell, somebody with a 500 square-foot space who helps people should help themselves by joining IHRSA. Hell, somebody just getting started sitting at their kitchen table with a yellow pad dreaming of being in this business some day should join IHRSA. We have ALL dreamed your dream, and we want you to make your dream come true by joining us at IHRSA. What **BETTER** way could there possibly be for somebody to learn about our industry and what it takes to become a successful part of it, than IHRSA? As you have said so well, Brent, there's no better resource than IHRSA for people out there who are dedicating their lives and times to helping others improve their lives. Nobody better... Period. So, if you're a non-member of IHRSA, NOW is the time to change that. NOW is the time to pick up the phone and call IHRSA at (800) 228 - 4772 to join today! You'll be glad that you did! Your future is in your own strong hands. Use those hands now to dial your phone and join IHRSA. Someday, you will thank Brent

and me for pitching IHRSA to you so well that you just flat could not resist joining us in this world-class effort to change the world for people who want a better life. We've got a door for everyone of them to walk through right now. **That's what we're really up to at IHRSA... through IHRSA clubs, delivering the opportunity for change for people who want a better life.** Go to www.ihrsa.org, and see what this great **Team called IHRSA** is all about.

C.I. - Have you had time to think about your goals for your IHRSA Chairmanship term? If so, what are they?

BD - As you know, Norm, the Chairmanship term is transitional and pretty brief. So, the real work is carried out by the IHRSA staff with sort of high level direction from the Board. One thing I do know having been on the Board for the past four years is that the previous Board members who came in just before me and the current ones who are there now have done a really good job of setting some strategic direction and have laid the foundation for the future of IHRSA. I believe it's my role to help make progress toward these goals. Many of them have been consistent for years, not unlike clubs. I would like to use my influence to bring some of these ideas that are already on the table to fruition, and hopefully, help cultivate a *purpose-driven Association*. In my opinion, I think IHRSA is not really lacking for

ideas about how to grow, or how to serve its constituents better, or even increase their reach in public policy. But rather, we just need to stay focused on the path and make meaningful and measurable progress. It's not really about me as the Chairperson, or my personal agenda.

Having said that, if there is one area I would hope to possibly affect, it would be something you just mentioned, Norm, and that is being more inclusive overall and further uniting clubs of all types and health professionals behind the common cause of making clubs recognized worldwide as more of the solution and a place that can be widely enjoyed to lead an active lifestyle. We all know, and there is undisputable evidence, of the value of exercise related to health and longevity. Collectively, we just have to do a better job of getting the message out there and getting more people involved. I really believe this is our time as an industry. **What we have to offer has never in history been more relevant or necessary than it is today.** The government is recognizing it. The public is recognizing it. Health club operators are recognizing it. The medical community is recognizing it. I'm not saying that there's been great movement toward executing on the rhetoric, but I just think it's our time. As the incoming Chairman, I hope to be a worthy steward of the Association, and hopefully a good disciple helping spread the message and
(See *IHRSA Soars!!! Page 26*)

Is This The New “F” Word?

By: Donna Krech

I suppose the reason I have so many followers and fans on social media is due to the adversity I've overcome in my life and the success I've seen. Real people relate to real people's stories. The speaking I am blessed to do and the books and programs I share also bring people to my Facebook and Twitter pages.

In my social media posts, I share regularly that the reason for the success I've known is the same reason I've spent time going through so much difficulty. That's how I came to the title of this article. The New “F” word is **FORTUNATE**. It's my belief that we are all fortunate.

I believe that going through the trials and tragedies I've encountered have been a blessing in my life. *The burden* has, in fact, become the *blessing*. Fairly recently, someone posted that she didn't agree. I have decided to share the conversation in the hopes that you will discover what the “F” word means to you and choose to find the blessings in the burdens. Here is how our conversation went:

Donna: A question to get your brain headed into a very positive, productive direction as this magnificent week begins. On a scale of 1 to 10, how close are you to living your dream? **Note:** I didn't ask what you do for a living, or if you have money, or if you are healthy or if you have people around you who love you. I didn't ask anything specific. I asked, on a scale from 1 to 10, how close you are to living the life you've always dreamed of living? Now, what would it take to make it a 10? We get one life my friend. What would it take to get it seriously headed in the direction of a 10 today?

Response: I'm at a minus 10. Some of us aren't as fortunate as you.

Donna: I truly understand being at a minus 10. *Fortunate* is an interesting word to describe someone who's been abused, lived in total poverty, been depressed to the point of being a minus 10 and so much more. If you want to call that fortunate, I'll receive it. For had I not been through the lowest of lows that I've been through, I would not know that burdens are designed to give birth to blessings. I would not realize that beauty is intended to come from ashes. So, I am very fortunate to have experienced so much pain. Not everyone chooses to see their pain that way, and it can take a lot of time, effort and prayer to get there. The beginning is simply to realize the truth of it all. But honestly, even that is our choice.

Yes, I have been at a **minus 10**. I finally learned the number I was living

at was up to me. Life doesn't do it to us. Other people don't do it. The government doesn't do it. God doesn't do it. It's hard to hear, but where we are is based on the choices we make.

I came to the place where I figured out that I didn't have to like it. I didn't have to agree with it. I didn't even have to believe it, but it was still true. My life, my happiness, my outlook; it was all my choice.

Response: I'm sorry, I don't always agree with that. At my age, I believe that nothing is going to change much. I can live for God and I do. But, I'm stuck financially, and there is no changing that. It's called accepting reality. I say fortunate for you because you had opportunities and you took them. That's great, but for you. I don't believe I was given those kinds of opportunities. Not financially anyways. It's hard to dream when you are in constant survival mode, financially. I'm just saying, to me, it sounds like bragging and a reminder that I will never see any of my dreams come true. I'm getting along and surviving, but it's hard to hear that others are achieving their dreams and others never will.

Realizing that this person's anger was merely a representation of her hurt, I shared this back:

Donna: I am truly sorry you are hurting. My words will always be those that speak life. Even when facing a death sentence, even when facing bankruptcy, even when being beaten up, facing losing my home, facing losing a child, my husband and I chose to look for and find the blessings. Your viewpoint and your opinion are certainly your right.

My 'bragging,' as you refer to it, gives a lot of people hope. I've witnessed, first-hand, people being told they would die and then living for many years. I've watched people over 80 years of age increase their finances. I've seen businesses that were completely upside down become enormously successful. I've watched God do miracles when it seemed there was no miracle to be found. I praise *Him* that I choose to see life this way. This is how I choose to see reality. I feel obligated to tell you that I'll not stop sharing these words and stories of hope. If they upset you so, you may want to unfriend me, for they are who I am.

She then proceeded to tell me how wrong I was and lashed out with even greater fury. I, on the other hand, made a decision to use the situation to grow from and to help others produce their own positive reality.

So, that brings me to my question for you. Do you see the word “fortunate” as the new “F” word? Unfortunately (pun intended), if you do, you most likely will never know what it means to be fortunate because you are claiming, and dare I say, even languishing in, your misfortune. The rationale of justifying a less-than-desirable-place in life might work with me, had I not lived through the circumstances I've lived through.

My point is this; you *are* fortunate! You are fortunate when you've suffered and chosen to see it as a blessing. You are fortunate when you've lost at love, business and money and chosen to learn from it. You are fortunate when you've been scared and depressed and came out faith-filled and rejoicing, even when you've not seen the circumstances change yet.

Too many folks think their circumstances indicate whether they are fortunate or not. I believe how we respond to our circumstances determines whether we are fortunate or not. I can tell you one thing for sure; when I focused on my misfortune, I got more of the same. Life would become tougher. I was hurting, and I felt *anything BUT* fortunate. However, when I focused on gratitude, looked for the lessons to learn, and chose joy, the most miraculous thing took place. It seemed that I was fortunate, more and more so every day.

When I was younger, I worked as a seafood clerk to support my child and myself. I could have complained about how I didn't want that job. But instead, I appreciated the income while actively seeking something better. I then sold memberships in our local club and for a weight loss facility.

What small opportunities could you avail yourself of that with the right perspective and behaviors could lead to a larger opportunity later? In the amazing world we live in, someone can get started in the fitness industry by taking a minimum wage job in a health club and end up owning their own chain of clubs... I did!

When my husband got cancer (four times) we could have worried non-stop. Instead, we chose to research intelligently, live faith-filled daily and make the best life we could with whatever time we had left together. None of us really knows how much time we have left anyway, so we all need to make the best of it! Besides, getting cancer and beating it can lead to a lifelong passion of helping others with their health concerns, like it did for my husband.

How can you shift your perspective to see a difficulty you've lived through as a lesson? What is the blessing hidden in the burden? Someone getting



Donna Krech

fired might lead to their opening a business they've always wanted to open. Not having enough money to feed your child can lead to having the drive to build multiple companies. Your club selling fewer fitness memberships could be the opportunity to make your club stand out in the community and be the obesity solution. There are so many blessings and opportunities all around us, but they may be hiding in what appears to be a difficult situation.

It's been said that we are the average of the five people we spend the greatest amount of time with. We are the average of their health, their relationships, their income, their outlook and their success. I choose to associate with *FORTUNATE* friends. I choose to spend time filling my life with people who see what others might view as their misfortune and turn it into fortune.

It would serve us to watch out for 'friends,' who claim they are not fortunate. They do not help us achieve our goals. We must find friends who see all they've lived through as *FORTUNATE*, no matter what difficulties they've lived through. Find friends who live in the fortunate world, who have turned their club from failing to flourishing, who have taken their world from miserable to miraculous.

I believe I am such a friend. If you are too, please come and share some time with me on social media. Based on the ways I've been *FORTUNATE*, I believe I can take your fortune to the next level. Follow me on Facebook at www.facebook.com/DonnaKrech.

Publisher's Note: I rarely chime in on Donna's writings. But, this one stimulated me to reflect back to the year 1973 and share what Donna's new “F Word” means to me. That's the year that I left my job as a United States Air Force Jet Instructor Pilot to move to Atlanta to search for a job as a
(See Donna Krech Page 22)

advice, etc.

We Turned Wellness Into Wealth!

In August 2012, I attended the Total Club Solution Training Event and it changed the path of our club forever. I learned so much from Donna Krech in the very first day that I was buzzing with excitement. The information I learned was great in any business, but priceless when applied to my club!

Thin&Healthy helped my club become the Total Solution For Wellness and helped us close out all of our competition.

- DEB GUSTAFSON

When we went into that seminar, we were Northgate Health Club. But just from what I learned in the first day, we walked out of the seminar with a new plan and a new name, Northgate Fitness and Wellness Center. Not only did I learn the 8 new "wellness" income streams, I learned exactly how to market a wellness program, and how to quickly build a referral base to feed the club with cash-in-hand, ready-to-buy wellness

prospects—and that was just one of the sessions. I decided to get rid of the old "healthclub" persona and put in fitness and true wellness.

I then came back and implemented every single piece of knowledge Donna Krech shared and it made a world of difference. Coming out of the old, 80's health-club mindset and into the world of wellness made us the only place in Rochester with a 100% wellness center under one roof. Not even Mayo Clinic can say that, because it is under several roofs. Thin&Healthy helped my club become the Total Solution For Wellness and helped us close out all of our competition.

In the last seven months, we have added nearly 200 new members to our Thin&Healthy's Total Solution (THIS) program, and increased our monthly EFT from \$24K a month to well over \$100K per month. THIS has allowed us to triple our dues and not be phased by the other clubs in the area. In fact, some of the "big box" clubs around us are not even surviving.

Let's look at product sales; we were selling about \$300 a month, and right now we're selling about \$3400 a week! And here is something any club owner would be excited about; all of our THTS members are being pulled from the member base. We are not doing any outside marketing.

We placed our Thin&Healthy's Total Solution center in a small area up by our front entrance and it has been wonderful! We do club tours and the THTS spot is our second stop. When club prospects hear what we do, they don't want to go any further.

We will be hitting 10,000 lbs and 10,000 inches lost by our members any day now. People are happy and excited. There is a sense of community that was not there before. With THTS, the atmosphere has changed, there is an exciting buzz and it's all because of the results the members are seeing. This really is true wellness!

Another thing I can't say enough about is the training Thin&Healthy's Total Solution offers. They make sure they've

given you all the tools you need to be successful, so when you walk away from their full system training, you can go back and start making money right away. Another thing I've found that has helped catapult our club's success is the availability of a corporate trainer coming to my club after basic training. Having the option to bring in an expert on the THTS systems to work with my team hands-on is worth its weight in gold.

If you want a step-by-step, turn-key plan that will impact your club positively in more ways than you can ever imagine, while making you the only true wellness center in your community, Thin&Healthy's Total Solution has everything you want and more. Call them, they'll send you the audio, directly from the training I took.... for free. Plus, if you want, they'll look at your club and tell you for free things you can do to instantly increase your income. These guys know what they're doing. X

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APRIL 2013

By The Numbers

By: Jeffrey Keller

Managers and owners hear it more and more, "You better know your numbers." They repeat it to their staffs, but many of them don't truly understand what's necessary to achieve their monthly goals or hold their sales staff accountable in doing so. Every club manager and owner knows that their life-blood is their Monthly EFT. But, are they achieving their growth goals appropriately, or are they out there on a wing and a prayer?

In business forecasting, you need to know when to expect sales to come. We all know that January is our best year, but what about the other months? Then, when we look at it for this year, did our January measure up well to what we need to achieve our annual goal? You won't know unless you break it out. So, here's how you do it.

Step 1: Gather Your Past Numbers

You'll need to gather together

	A	B	C	D	E	F	G	H	I	J
1	CLUB XYZ									1
2	JANUARY									
3										
4			Year 1	Year 2	Year 3	Year 4	Year 5	Total	Average	%
5	Mondays	32	38	37	42	29	178	36	15%	
6	Tuesdays	36	28	22	31	33	150	30	13%	
7	Wednesdays	32	24	28	29	19	132	26	11%	
8	Thursdays	20	10	12	14	19	75	15	6%	
9	Fridays	28	20	26	32	30	136	27	12%	
10	Saturdays	60	50	47	66	49	272	54	23%	
11	Sundays	55	48	32	46	41	222	44	19%	
12		263	218	204	260	220	233			

your sales from the past. Going back five years should do it, but you'll need at least a year past the year that you opened. You'll also need records of when those sales happened. For some of you, this won't be a problem because you have a software system that can spit it out easily. If you're lucky, you'll have a system (whether software or manually) that gives you how many sales on each day of each month in a single page format. If not, it will be time consuming to do so, but you only have to do it once, and it will be worth it. For each year, and by month, total up what was sold on Mondays, Tuesdays, Wednesdays, etc. This is what you'll need for Step 2.

Step 2: Assemble Your Past Numbers

This is where it becomes scary for a lot of independent club owners. You need to set up a spreadsheet that looks something like Figure 1 for each month.

Add up all the Mondays in January of Year 1, and put that number in the Year

1 column for Mondays. Do the same for all the other days in January for Year 1. Then, do the same for Years 2 through 5, or whatever sales numbers you have. If you know how to set up an Excel spreadsheet with formulas, the cells that aren't grey are formulas. Simply create the formula that either totals or averages the column or row. If you don't know how to create an Excel spreadsheet like this, or if you don't want to spend the time doing it, find me on LinkedIn, send me a message, and I'll email it to you. Be sure to include your email, so I can send it to you outside of LinkedIn.

You will need to do this for each month for all of the years. Initially, it takes a couple of hours once you have the past year's sales together, but there's really no other way to do it.

Step 3: Analyzing Your Data

Once you have the spreadsheet

	A	B	C	D	E	F	G	H	I	J	K	L
1	CLUB XYZ											2
2	ANNUAL						This Year's Annual Sales Goal =					
3												
4			Year 1	Year 2	Year 3	Year 4	Year 5	Average	%	Forecast	Actual	Variation
5	January	263	218	204	260	220	233	100%	0	0	0	0
6	February	0	0	0	0	0	0	0%	0	0	0	0
7	March	0	0	0	0	0	0	0%	0	0	0	0
8	April	0	0	0	0	0	0	0%	0	0	0	0
9	May	0	0	0	0	0	0	0%	0	0	0	0
10	June	0	0	0	0	0	0	0%	0	0	0	0
11	July	0	0	0	0	0	0	0%	0	0	0	0
12	August	0	0	0	0	0	0	0%	0	0	0	0
13	September	0	0	0	0	0	0	0%	0	0	0	0
14	October	0	0	0	0	0	0	0%	0	0	0	0
15	November	0	0	0	0	0	0	0%	0	0	0	0
16	December	0	0	0	0	0	0	0%	0	0	0	0
17							233					



Jeffrey Keller

built and the data input, you'll need to learn a little from the numbers. The great thing about using formulas in a spreadsheet is that you can create a summary worksheet (See Jeffrey Keller Page 23)

...Donna Krech

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commercial airline pilot. I arrived in Atlanta on January 6, 1973 with a UHaul Trailer. I'd already arranged a job as a corporate pilot of a Sabreliner Jet.

Then, in April 1973, I was hired for my "Dream Job" as an Airline Pilot. I've been told by the people in the employment office that they had interviewed 1,200 pilots to select our group of 40 pilots whom I was hired with. It is important to note here that I had spent nine years preparing for this Airline Pilot job. First, I spent four years in R.O.T.C. at N.C. State while I played football there. Then, I spent five years in the U.S. Air Force as a jet instructor pilot. So, when I moved to Atlanta and was hired by the Airlines, I considered myself to be **very FORTUNATE**.

Then, after I'd been flying for the airline for six months, one day I got a letter in the mail from the Airline. It read: "Dear Norm, I'm sorry to have to inform you that you and 39 other recently hired pilots must be laid off indefinitely because of the

Arab Fuel Embargo. This will be effective immediately. Unfortunately, we do not have any way of predicting how long this layoff will last. But, when we are able, you will be called back to fly and continue your hard-earned career as an airline pilot."

Folks, to say that I was stunned by this letter would be an understatement. But, I rolled with the punches and moved on. During the four years while I was laid off from my airline pilot's job, I learned what the word Fortunate really means when one day I was waiting my turn to get onto one of two racquetball courts at the apartment complex where I lived. I met a great guy named Ray Irwin, and we played a game or two. After our workout, we got to talking. At the time, I was involved in raw land investment syndications. I asked him if he might be interested and he replied, "I might normally be, Norm. But, I'm saving my money to build a racquetball club with ten courts." I said, "Build a what?" He replied, "Yes, a racquetball club like they are now building in California and the Chicago areas." That is now history, but Ray and I formed a partnership with a third guy,

whose name I won't even mention because of what he and his rich Dad did to Ray and me. After working with this guy on a racquetball club development for two years, one day I got a call from Ray, and he said, "Have you seen the sign across I-285 advertising a Racquetball Center?" I said, "No." Then, Ray went on to explain that this guy's Dad, a man who was a very wealthy real estate investor, hotel owner, etc. had bought the land, created the plans and even put up the sign announcing the club without EVER telling us a word (Now you know why I will not even write this ex-partner's name here).

But, as grace would have it, not long after this news, I got a call from a former jet instructor pilot friend of mine named Ed Jelks. He called to tell me that a friend of his whom he attended Georgia Tech with, a fellow named Rich Boggs, had moved from California for the purpose of starting up a new racquetball club. My friend gave me Rich's phone number. We met at a local restaurant first, and then, we went to his home on a Wednesday night and a partnership of four guys was

formed. Literally, two days later, we were under construction because the fourth partner was a wealthy construction guy who owned two of the hottest night clubs in Atlanta at the time. So, here we were, off and running. We built nine Courtsouth Racquetball Clubs in the period from 1976 through May, 1981, the same month that we all went our separate ways.

I had found a career that I had a passion for, and in April, 1978, when the Airlines called me back to fly, I resigned after I had flown for six more months and had time to really think about what I wanted to do with the rest of my life. So, I dedicated my life to our great industry then and I've never looked back. I've never had a regret about resigning from the one job in the world that I wanted most, the airline pilot job, and frankly, after nearly 40 years of involvement in our industry, I still feel **very FORTUNATE**, and I do know a lot about Donna's new **F Word** and how adopting a positive attitude in the face of any and all adversity will help you ultimately win every time!

You did what!



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...Jeffrey Keller
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that takes all the years and months and puts it on one page. If you know how to do this, you're way ahead of the curve, and you probably don't even need to do this exercise. You probably know exactly where you should be with sales throughout the year. If you don't, just send me a message through LinkedIn, and it will be part of the Excel file I send you.

Basically, the summary gives you an average of each month's sales as an absolute number and a percentage of the years' sales. The summary page should look something like Figure 2.

It will tell you what percentage of your annual sales should come in each month. Once you complete a month, you can put the "actual" sales in the appropriate column to get any variation from what is expected. If the variation is +, then you're ahead of the game. If the variation is -, then you're behind. The great thing about this approach is that you can apply it to a daily sales pattern. As I indicated in Step 1, starting with daily sales and plotting them out on a spreadsheet that allows you to put Monday through Sunday's sales for an entire month, gives you the ability to create similar percentages, averages and variations for a daily comparison. Simply put, the percentages allow you to know what to expect on every day for a given month. Here's an example.

•In January, your facility has 200 sales budgeted.

•On Mondays, the spreadsheet indicates 15% of the weekly sales are sold in January.

•15% of 200 is 30 sales.

•Given there are 4 Mondays this January, 7 to 8 sales should be expected every Monday.

From this point, you can reverse engineer the number of tours needed, number of prospects needed, calls to be made, mailers to be sent out, etc. using your conversion rates. Additionally, you can tailor this process to predict for personal training, juice bar sales or supplement purchases. Of course, this isn't an exact science, but it is incredibly more accurate than throwing a dart at a dart board like most Owners or Managers do.

Hopefully, this has sparked some interest in managing your numbers a little more closely. Follow these steps and you'll definitely be more accurate with your expectations. Your employees will thank you for it, and they'll no doubt be less frustrated, as will you. (Jeffrey Keller is President, Independent Health Club Networking Association and is a veteran club General Manager.)

The Top Ten Marketing Tips

By: Derek Barton

Why do we love Top Ten lists, whether it's the Top Ten Movies of all time, the Top Ten TV Shows or the Top Ten Dumbest Pick-up Lines? I guess we love to see if our favorites are on those lists. When they are, we love it. When they're not, we're astonished, "What were they thinking!?"

So, let me give you a chance to love me or hate me. Here's my Top Ten list of the best Marketing Tips for your health club.

1. Brand Your Club With Passion: First impressions are still important today, especially in the health club industry. Look fun. Look inviting. Look successful from the exterior to the interior. Gym owners don't have blank walls in their homes; they have decorated walls, with different colors, textures and art pieces to give them personality. So, why is it that I see nothing but white walls in their gyms? That's about as exciting as lint. Spruce up your gym like a home away from home. Use your brand colors, logos and decorate with appropriate images of an exciting fitness lifestyle (See Nike Town).

2. Brand and Market Your Team: Walk into an Apple store, and you immediately see all the staff in colorful branded shirts. They stand united, and they all look like they are having fun. Team is everything. In sports, the team with the highest paid players doesn't always win. The team that usually wins is the group that has great chemistry. Yes, every team has an "All Star," and you can champion your All Stars and your member All Stars like Subway does with Jarrod. Wendy's did it with their Founder, Dave Thomas, and put him in all their commercials. He turned out to be the best spokesman for his own brand. It's not enough for people to just know your product and service. They love to know about the people behind the brand, which is why we are fascinated with CEOs like Richard Branson and the late Steve Jobs.

3. Have Discernible Customer Service: Some companies can't justify spending time and money on the invisible. It may be invisible to you, but not to the customer. They feel it. They know when it's there, and they know when it's not there. Your members want to be around people who make them feel important (See Ritz Carlton Hotels and listen to the theme song to that hit TV show *Cheers*).

4. Advertise Always: Mark Twain once said, "A product is not much of a product if nobody knows about it." Advertising is like a diamond, there are many facets to

it: TV, Radio, Print, Billboards, Mobile Billboards, Direct Mail, Email Blasts, your Website and Social Media! Do as much as you can afford. Hire a good advertising person who knows how to create a good marketing mix with the right messaging aimed at your target audience (See Budweiser).

5. Dive Into Social Media: There are many forms of Social Media; the big three are: Twitter, Facebook and LinkedIn. Whether you like it or not, it's not going away. My buddy, Mike Epstein of Gold's Gym Paramus, New Jersey, says that Social Media to him is about having a conversation with his members. It's also about keeping them informed of the events that are going on in his club, like the new personal trainer or group exercise instructor who just came aboard. It's telling them about the new classes or the new movie that's playing in his Cardio Theatre. It's about thanking his members for participating in the relief effort for Hurricane Sandy that hit his community and state. It's talking about the victories of their pro sports teams. It's sharing pictures of some of his members and friends at a tailgate party before a Bruce Springsteen concert there in his hometown. My friend, Tim Webster, supplies great weekly Twitter and Facebook content to health club owners that educates and inspires members and potential members. Whether you want to have a simple conversation with your members or if you want to educate and inspire them, or both, it pays to have good social skills!

6. Create a Great Website: With the advent of the Internet, a company's website became the ultimate phone book listing and advertisement. We all go to a website to find out about a product or service, so keep your website user friendly. Don't bore your visitors with endless and useless information. Like all good advertising, get to the point with as few words as possible. More and more websites today are becoming more than just a one-way conversation. They are giving people a chance to interact with their articles and blogs. So engage your visitors and have a two-way conversation.

7. Get on YouTube: Can you believe the stuff that they have on this site? Five million hits to see a blind turtle making love to an army helmet!?! Whatever. Make a cool video and post it. It will create a buzz for your health club. A music group awhile back did a great song while they slid across eight treadmills end-to-end singing and dancing. There is a ton of

entertaining ideas like that waiting for you to let the masses know that your club is a fun place to be!

8. Host a Party: Nothing is more memorable than a good party! Ask all the stars who attend the The Golden Globes and Oscar Parties. Having been in the entertainment field for a few decades and living in Los Angeles, I've been to some of those parties. Always over-served! So, any chance you get to throw a party for your members and potential members, do it. Perfect excuses are grand openings, anniversaries, renovations and holiday parties. Great parties form great bonds!

9. Sell Custom Merchandise: What makes Nike and Under Armour billion dollar companies? We buy and wear their products. We're like walking billboards for them. People are loyal to certain brands, just like your members are loyal to your brand. If they weren't, they wouldn't be there. Establish a "pro shop" where your members can buy a custom t-shirt, tank top, hat, license plate frame, water bottle, etc. You can also give these promotional items away at targeted events. Your custom merchandise gets your name out into your community, and it's a nice revenue source. Remember, it's not enough to just sell memberships. It's also getting your members to buy and buy more often. Your employees can be walking billboards wearing cool branded uniforms that will inspire your members to buy like items.

10. Be a Czar Of PR: Join your fellow entrepreneurs at your Chamber of



Derek Barton

Commerce to better your community, and do a cross-promotion with them. Sponsor a local sports team. Raise funds and awareness for a charity. Give community seminars on health and fitness and participate in the local health fairs. Nothing says more about the heart and soul of your brand than when it does good things for people.

If you adhere to these Top Ten Marketing Tips, you will go a long way toward ensuring that your city won't fall onto the Top Ten list of the least healthy and fit people! Start now with Tip #5 and share your Top Ten list and comments with me at www.facebook.com/bartonproductions.

(Club business veteran Derek Barton is the owner of Barton Productions and he can be reached at derek@bartonproductions.com)

...Norm's Notes

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your visual environment anymore when I see you! I LOVE YOU ALL, anyway... "Eye-Pollution" or not! Thanks for your *kind patience* and **Stay Tuned!**

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• **God bless those who were killed and injured by the Boston Bomber! God bless all of our troops, airmen and sailors and keep them safe. Congratulations and Welcome Home** to all of our troops who've served in Afghanistan and around the world. **God bless you and your family, your staff, your members and your club(s). Happy Spring! God bless America!**

(Norm Cates, Jr. is a 39-year veteran of the health, racquet and sportsclub industry. Cates is the Founder and Publisher of CLUB INSIDER, now in its 20th Year of publication. Cates was IHRSA's 1st President, and a Co-founder of the Association with Rick Caro and five others, in 1981. Cates may be reached by phone at 770-635-7578 or email at Norm@clubinsideronline.com)



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IRON GRIP
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...IHRSA Soars!!!

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good news.

C.I. - That says it all, Brent. Congratulations for a great four years on the Board so far. Thank you for your work to date, and thank you in advance for the work you are going to do as Chairman.

An Interview With Rick Caro

CLUB INSIDER - (C.I.) - First Rick, let me extend my most sincere **CONGRATULATIONS** for your recent IHRSA Lifetime Achievement Award honor in Las Vegas! Now, my first question. Looking back 32+ years, to me, it seems like just yesterday that you and I were regularly on the phone for many hours between New York City and Atlanta putting together the plan to launch what we initially called IRSA (The "H" standing for "Health" was added to the acronym and name in 1994). My question to you about that is: Did you have a vision then that IHRSA would someday be the world's most prominent and productive health, racquet and sportsclub Trade Association with over 9,500 member clubs in over 70 countries?

Rick Caro (RC) - I was fortunate to have an initial plan, or dream, for IHRSA. But, it was achieved early on in many facets. Apparently, then one is supposed to dream again and dream bigger. By then, the IHRSA leadership had been passed onto others, which was one part of the plan. I am so proud of what so many have accomplished for IHRSA since the founding of it.

C.I. - Thinking back on it all, I find myself more and more sure that we all were very lucky to have had Big John McCarthy at the helm of IHRSA right from the start. Please share your recollection of the experience of finding and hiring Big John to be our IHRSA Executive Director.

RC - John McCarthy was the Executive

Director of the New England Regional Club Trade Association. Fortunately, the Board there let John apply for the IHRSA position. He was a perfect fit. He took a fledgling trade Association representing a limited number of United States and Canadian clubs and truly trail-blazed it into many continents with a host of products and services supported by an accomplished staff. He worked with a variety of Board members; never an easy task. He showed his visionary powers regularly and truly developed the Association into its meaningful role today.

C.I. - Since starting IHRSA, when you and I both served a Board term, you also served a second term on the IHRSA Board. With the founding and two terms of Board experience, I'm sure you can address IHRSA Board Service for our readers. First, tell our readers WHY they might want to consider becoming an IHRSA Board Member? After that, please tell our readers who might be considering becoming an IHRSA Board Member the depth of the work they will be doing, so no one goes into this challenge without knowledge of what will be required of them.

RC - Ideally, all should regard the health club industry as a service business. A trade association serves its constituents. Many club leaders have skills and insights to give back to their industry in terms of Board service. In a collaborative environment, elected IHRSA Directors get a chance to fully understand the current status of IHRSA, both domestically and internationally, and provide strategic thinking and guidelines for the staff and help to develop the industry as a whole. Dealing with changing environment, realistic resources and fellow Directors, an elected Board member has a chance to work in a non-profit environment and make a difference while serving many others. Club leaders of all types of organizations should consider becoming a Board member.

C.I. - As the 'Face of IHRSA' Rick, please tell our readers who're not currently

IHRSA Member club owners WHY they should be IHRSA Members?

RC - IHRSA is an organization that helps educate its members to succeed, to grow as leaders, to learn trends and best practices and to benefit from significant lobbying and legislative opportunities or overcome threats. It offers a significant ROI (return-on-investment) as one idea or one IHRSA cost-saving program can easily make IHRSA a huge winner, even for the smallest club or studio. It is a 'must' for all clubs if they want to succeed in this industry.

C.I. - Tell us about the origin of the idea of producing IHRSA Annual Financial Panels, such as the 17th Annual Panel you hosted in Las Vegas.

RC - Often, even club leaders need to talk to experts outside of their industry to gain an up-to-date and more expert perspective. I felt that the IHRSA Convention attendees would benefit greatly from learning directly from investment bankers, private equity owners, debt institution executives, equity analysts of public companies and other financial experts. I feel so fortunate that, each year, we are able to attract such bright financial talent who voluntarily pay their way to share their wisdom. Fortunately, the audience keeps growing and reinforces the value of this Financial Panel.

C.I. - Please tell us about your involvement with the IHRSA Institute and your thoughts about it being started back up by IHRSA after a sabbatical for a few years. Why should IHRSA's club owners participate in the Institute?

RC - I was a member of the IHRSA Institute's first-year faculty and have been fortunate to have served on its faculty each year. It is a most unusual way for current, as well as upcoming club leaders can gain invaluable information in a given week. It encourages major networking amongst the fellow attendees, often encouraged by its setting at a university. Many of the 'graduates' have become significant leaders and even IHRSA Board members. It is an invaluable learning experience.

C.I. - Rick, in your acceptance speech in Vegas you mentioned the great success of a fellow named Mike. You stated, 'The conclusion is that we can all think *bigger*, think of how we can make a greater impact on our surrounding communities. So, let's all think like Mike and really make a difference in the future.' For my and our reader's benefit, please tell us a bit more about Mike's idea.

RC - This was an illustration of how a club owner joined together with other fellow club owners to form a network to offer services aimed at non-members, people who would never join a club or who had done so previously and failed themselves. It is a story that is developing and growing to the other New England states as we speak.

It was intended to remind us how to think bigger, to be innovative, to connect with our local communities in deeper ways and to truly make a difference in people's lives. It is a charge to all of us to realize that we are in a very favorable position to reach out to those who are beginning to feel the effects of the new healthcare legislation, to take greater control of their lives and to offer a real wellness message with expertise to deliver on it.

• • •

See you at IHRSA 2014 in San Diego!

(Norm Cates, Jr. is a 39-year veteran of the health, racquet and sportsclub industry. Cates is the Founder and Publisher of CLUB INSIDER, now in its 20th 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. Cates may be reached by phone at 770-635-7578 or email at Norm@clubinsideronline.com)

See You At IHRSA 2014!

San Diego, California

March 12 - 15, 2014

Global Fitness Industry Energizes and Innovates at IHRSA 2013

BOSTON, MA - Thousands of people from over 80 countries attended educational and motivational seminars, group workouts, a great trade show and phenomenal networking and social events during IHRSA 2013, The International Health Racquet and Sportsclub Association's (IHRSA) 32nd Annual International Convention and Trade Show. The high-energy event, held at the Mandalay Bay Convention Center in Las Vegas, Nevada March 19-22, celebrated industry success, best-practices, product and service innovation and the industry's commitment to increase physical activity levels.

"I extend my sincere thanks to each and every attendee, exhibitor, sponsor and presenter for their dedication to this great industry of ours," said Joe Moore, IHRSA President and CEO. "This industry continues to inspire. The innovation and entrepreneurial spirit on display during the convention will directly lead to a healthier, more prosperous world," added Moore.

IHRSA 2013, the largest US-based gathering of health club operators, suppliers and fitness industry professionals, once again showcased the newest and most innovative equipment, programs, technology, exercise trends and industry best practices. Celebrating IHRSA 2013 were nearly 11,500 industry professionals, including over 7,300 convention and trade

show attendees. The sold-out trade show floor, with 355 exhibiting companies, occupied over 170,000 square feet of exhibit space.

An IHRSA 2013 Highlight Video is available at www.ihrsa.org/convention.

More than 150 educational, exercise and networking sessions were held over the four-day convention, including inspiring presentations by Life is Good Co-Founder, Bert Jacobs (sponsored by SPRI Products, Inc.); Author and Harvard University Professor, Nicholas Christakis, M.D., Pd.D., MPH, (sponsored by Technogym); Author and Founder of Joie de Vivre Hotels, Chip Conley, (sponsored by Matrix Fitness); Author and Founder & CEO of ChangeLabs, Peter Sheahan, (sponsored by MYZONE) and IHRSA President and CEO, Joe Moore, on the State of the Fitness Industry.

Five industry leaders were recognized during IHRSA 2013 for their commitment to serving the industry as well as their local communities. The Inaugural Lifetime Achievement Award was presented to Industry Legend Rick Caro. The John McCarthy Industry Visionary Award was presented to Zumba Fitness. The Outstanding Community Service Award was presented to Ron and Sandy Franco of Franco's Athletic Club. The Julie Main Scholarship was presented to

Radka Dopitova Willson. The Associate Member of the Year Award was presented to Hoist Fitness Systems, Inc. Additional information and past award winners are available at www.ihrsa.org/awards.

On Thursday, March 21st, IHRSA proudly hosted The BASH for Augie's Quest for the 8th consecutive year. Augie's Quest is an aggressive cure-driven ALS research initiative established by fitness industry pioneer Augie Nieto. The highlight of the evening was when Nieto, who has been fighting ALS (amyotrophic lateral sclerosis, or Lou Gehrig's disease) since his diagnosis in 2005, displayed his strength gains by pumping out twenty 100-pound leg presses, to the amazement of the over 1,000 Bash attendees. The 2013 Bash for Augie's Quest raised over \$1.6 million, including \$200,000 from The Zumbathon for Augie's Quest, an additional annual IHRSA convention event. Since 2006, Augie's Quest, in conjunction with the Muscular Dystrophy Association (MDA), has raised nearly \$37 million.

IHRSA gratefully acknowledges all of the IHRSA 2013 sponsors that help make this one-of-a-kind event possible: Anytime Fitness, ASF International, BEACHBODY, CFM International - MYZONE, Chobani, CSI Software, Cybex, Ergoline - A Division of JK-North America, Fitness Brasil, Fitness Business

Canada, Fitness Industry Council of Canada, FreeMotion Fitness, GenoVive, Green Fitness Equipment Company, GOJO Industries, Gold's Gym, GP Industries, GymAround.com, HealthClubBroker.com, Healthy Learning, Helix Company, Hydrorider USA, iGo Figure Software, Intel Corporation, InTouch Follow-Up, Jonas Fitness, JumpSport, Leisure Industry Week (LIW), Les Mills International, Life Fitness, Management Around Sports, Matrix Fitness, Mercado Fitness, Merrithew Health & Fitness, MINDBODY, Motionsoft, National Academy of Sports Medicine (NASM), Nautilus Commercial Fitness, Orangetheory Fitness, Parisi Speed School, Partnership Capital Growth, PFP Media, PILOXING, Polar Electro, Power Systems, Precor Incorporated, RealRyder International, RecoveryPump, Savvier Fitness, Scosche Industries, Snap Fitness, SportsArt Fitness, SPRI, StairMaster, Star Trac, Technogym, Total Gym, Triletics, TRX, Twin Oaks Software, Under Armour, VersaClimber, Visual Fitness Planner, Wexer Virtual, Xercise Lab and Zumba Fitness.

Audio (MP3) recordings of over 70 IHRSA convention sessions and video recordings of 24 select sessions are available for order now. Official show images are available to the media by [contacting pr@ihrsa.org](mailto:contacting_pr@ihrsa.org).

Raising the Bar: Health Clubs Continue to Thrive

BOSTON, MA - The International Health, Racquet and Sportsclub Association (IHRSA) announced the release of the IHRSA Index results for the quarter ending December 31, 2012 and the full year of 2012. The Index demonstrates the financial performance of the commercial health club industry.

"For three consecutive years, the IHRSA Index has improved year-over-year performance," said Jay Ablondi, Executive Vice President of Global Products for IHRSA. "Improvements were recorded in all nine performance indicators measured," noted Ablondi, "Significantly, the greatest growth was achieved in non-dues revenue and EBITDAR."

Over the full year ending December 31, 2012, the IHRSA Annual Financial Index posted an increase of 9.6% in non-dues revenue and 10.3% in EBITDAR. Total revenue grew by 8.1% while membership dues revenue rose by 6.7%. Total membership accounts also improved modestly by 2.9%. Same-store facilities increased total revenue, membership dues revenue and non-dues revenue.

"This sample of leading clubs are attracting members, winning over

consumers with non-dues offerings and closely managing expenses," said Melissa Rodriguez, Manager of IHRSA research. "The Index has increasingly improved key metrics each year, including same-store clubs."

In 2012, same-store sales grew by 2.9%, while non-dues revenue rose by 3.6%. In 2011, same-store total revenue improved by a slight 0.9%; same-store non-dues revenue grew by a modest 0.8%. EBITDAR improved by 9% in 2011, as EBITDAR in 2012 rose by 10.3%.

For the quarter ending December 31, 2012, the Index sustained growth from previous quarters. On a quarter-to-quarter basis, total revenue grew by 6.4% as non-dues revenue increased by 9.6%, nearly a double-digit percent growth. Membership dues revenue and EBITDAR improved by 4.9% and 5.8%, respectively.

"In 2012, the IHRSA Index demonstrated that new and mature clubs can coexist and deliver the support, services and value that consumers crave," said Ablondi. "By finding ways to help consumers stay on track with their health and wellness goals,

health club operators continue to show that they are entrepreneurial and resilient in any economic environment."

For more on IHRSA research, including consumer, industry, and club operations data, visit www.ihrsa.org/research.

Jeff Skeen's Fitness Connection Receives Top Awards from Supplement RX

McLEAN, VA - At the 2013 IHRSA convention, Supplement Rx, a leading national supplement company, presented Fitness Connection, a subsidiary of Titan Fitness, with two awards. Fitness Connection was acknowledged as the number one company for supplement sales as well as having the top individual club location for sales in 2012.

"We see our company as not only a fitness company but as an organization that provides health and wellness solutions," said Josh Harwood, Fitness Connection's Senior VP of Operations. Phil Howard, Fitness Connection's National Vice President of Sales further acknowledges that, "we believe these awards not only prove that we are effective at selling nutritional supplements, but our purpose of connecting members to their goals is embraced by our organization."

"As one of the leading nutritional companies in the fitness industry, we are very proud to have Titan as a customer that not only impacts a lot of people's lives through nutritional product sales but shares our core values of changing people's lives," said Frank Plasso, CEO of Supplement Rx. Frank further mentioned that he has been excited to not only be one of Fitness Connection's top vendors but has enjoyed watching the company's dramatic growth over the last several years.



Rick Caro's 17th Annual Financial Panel

LAS VEGAS, NV - In keeping with recent IHRSA history featuring 16 years of IHRSA Financial Panels, IHRSA Co-Founder, Rick Caro, delivered the 17th Annual IHRSA Financial Panel to a large audience in attendance at IHRSA32 in Las Vegas.

The panelists were: Jon Canarick, Managing Director, North Castle Partners; Doug Lehrman, CEO, Pulse Equity; Kayvan Heravi, Partner, LNK Partners; and Diego Cordoba, Managing Partner, Teka Capital.

Prior to introducing the panelists for their comments, as is tradition, Rick Caro summarized industry headlines for the past year. Here are 20 significant headlines during 2012 as presented at the session via Rick Caro's slide presentation:

1. U.S. Economy In Slow Recovery From Recession With 2011-2012 Better Than Previous 3 Years But Nowhere Near 2007 Levels.

2. Recession Resilient:

- Same Store Sales Up Slightly;
- Net Memberships Up Slightly;
- Non-Dues Revenue Up;

•EBITDA Margins Steady, Increasing Over 2009-2010; Still Attractive But Less Than 2006-2007 Levels.

3. U.S. Debt Markets More Available and Offering More Leverage At Attractive Rates.

4. Overall Industry Membership Levels Were Flat With Number of Clubs About The Same.

5. # of New Builds At Increasing Rate, With More Attractive Landlord Deals and More Niche Facilities.

6. Cost of Construction Flat/Cap Ex Necessary But At Reduced Levels.

7. Some Real Consolidation In U.S. For First Time, With More Independents Trying To Exit.

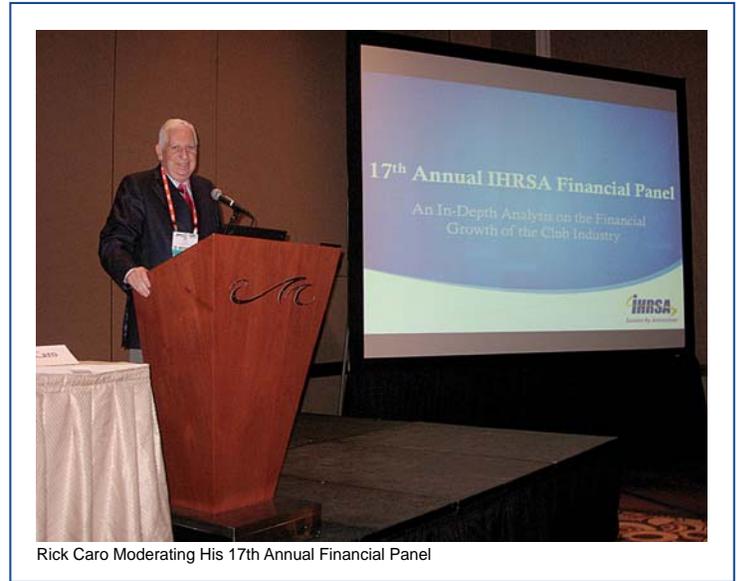
8. Increasing # of Franchised Clubs (Variety of Types).

9. Several Major Club Deals In U.S. and Few Smaller Deals.

10. No New Major Equity Players Entered Club Industry In U.S.

11. Small Regional Club Companies Are Growing.

12. No Major Increase In U.S. Club Ownership By International Companies and Vice Versa.



Rick Caro Moderating His 17th Annual Financial Panel

13. No Real Investment By Strategic Recs, But Some Major University Fitness Partners From Analogous Industries.

14. Silver Lining: No Growth By Non-Profits, Hospital Wellness Centers, Parks &

Recs, But Some Major University Fitness Centers arrived.

15. Diet Centers Still Not Working Alone
(See *Financial Panel* Page 29)

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Bash for Augie's Quest Raises More Than \$1.6 Million for ALS Research

TUCSON, AZ - The Muscular Dystrophy Association announced that the eighth annual BASH for MDA's Augie's Quest held Thursday, March 21 raised more than \$1.6 million to help fund research for ALS (amyotrophic lateral sclerosis, or Lou Gehrig's disease).

More than 1,000 people attended the "Viva Las Vegas" themed event at Mandalay Bay Resort and Casino. Participants enjoyed an evening of elegance and entertainment, including live performances, dancing and auctions to help support Augie's Quest, an aggressive cure-driven ALS research initiative named for philanthropist and fitness industry pioneer, Augie Nieto. Nieto has been fighting the disease since his diagnosis in 2005.

Pat Monahan, lead singer for the Grammy Award-winning band Train, provided entertainment for BASH guests. Award-winning CNN anchor, Suzanne Malveaux, whose mother is living with ALS served as the host for the high-end event. To cap off the evening, a surprise \$100,000 donation was presented to Nieto from Gary and Diane Heavin, co-founders of Curves, in support of the Augie's Quest initiative.

"The BASH continues to exceed our expectations every year, and this year was the best we've had yet," said Augie Nieto. "The support we receive demonstrates the true determination people have in finding a cure for this disease. We're continuously advancing our

knowledge and getting closer every day to defeating ALS once and for all."

A day before the BASH on March 20, a sold-out Sentao Zumbathon at the Mandalay Ballroom raised \$200,000 to benefit Augie's Quest.

Zumba Fitness creator Beto Perez led hundreds of Zumba fans in a high-energy Zumbathon featuring the recently launched specialty Sentao Zumba, which transforms a chair into a sizzling dance partner for a Zumba class that balances, strengthens and stabilizes the core for a total-body workout.

"It's an honor to host a Sentao Zumbathon for such a great cause, and this year, we asked participants to grab a seat and take a stand to help people like my friend Augie," Perez said. "The event gave everyone a chance to dance their hearts out and keep moving toward finding a cure for ALS."

The BASH and the Sentao Zumbathon are just two of the high-profile events across the country that raise funds to support people living with ALS, a rapidly progressive neuromuscular disease.

The BASH is inspired by Nieto and his wife, Lynne, who serve as co-chairs of MDA's ALS Division. MDA's ALS Division provides unparalleled support to the more than 30,000 Americans living with ALS. Since Augie's Quest was established in 2006, it has raised almost \$37 million for ALS research.

"MDA's Augie's Quest has



The 8th Annual Bash for Augie's Quest Raised \$1,637,747

been a game-changer in moving ALS research forward and in providing hope to families affected by the disease," said MDA President and CEO, Steven M. Derks. "I congratulate Augie and Lynne on an amazing night. With their unyielding determination and strength, they continue to inspire me, our Association and everyone fighting to end ALS."

For the eighth consecutive year, the International Health, Racquet and Sportsclub Association (IHRSA) was a

gracious presenting sponsor for the BASH. IHRSA Executive Director Emeritus John McCarthy served as the BASH's event chairman. Other major sponsors for the BASH included: Atlantic Club, Zumba Fitness, Hemelgarn Racing, North Castle Partners, Curves, Partnership Capital Growth Partners, Fitness Formula Clubs, Western Athletic Clubs, Equinox, Millennium Partners, Octane Fitness, XSport Fitness, 24 Hour Fitness, MotionSoft, Planet Fitness and Las Vegas Athletic Club.

24 Hour Fitness Shakedown Stuns Key Leaders!

LAS VEGAS, NV - Shortly before IHRSA 2013 in Las Vegas, Carl Liebert, President and CEO of 24 Hour Fitness, announced layoffs of over a dozen key management level employees as well as other moves.

CLUB INSIDER spoke to one of those employees, veteran Steve Datte, former Vice President of Youth Performance for 24 Hour Fitness, at our IHRSA Exhibit, and to say he was stunned would be an understatement. Datte indicated that a memo from Liebert to the 24 Hour Fitness employees announced:

"The changes are intended to improve the effectiveness of the organization and increase the focus on supporting our members and guests." Another way of saying that might be: "The changes are needed in order to increase our EBITDA, making 24 Hour Fitness more valuable in the eyes of potential purchasers."

However, in the view of this author, Forstmann/Little, the New York-based Investment Banker firm that paid Mark Mastrov \$1.6 billion just a few years ago, will not be able to find a buyer for the

company that is willing to pay more than the \$1.6 billion. Perhaps that's why they yanked 24 Hour Fitness off of the market after it had been shopped to a limited world of financially qualified suitors for a while.

In addition to Steve Datte, the following key 24 Hour Fitness Management staff were released: Dan Benning, Senior Vice President of Operations; Allison Lewin, Vice President of Marketing; Jim McPhail, Chief Development Officer; Mark Foley, Chief of Human Resources; Art Morris, Vice President of Benefits and

Wellness; Dick Colbert, Vice President of Taxation; Sidney Griffin, Vice President of Community Marketing; Harry Reo, Vice President of Membership Sales; Wendy Yellin, Vice President of Communications; Ingrid Owen, Vice President of Group Fitness; and Damion Clanton, Regional Vice President (in charge of clubs in Oregon, Washington state, Hawaii and Las Vegas). It was also reported that Randy Drake resigned from the company.

Stay Tuned!

...Financial Panel

continued from page 28

Without An Exercise Component, But Diet Pills ("Magic Bullet") Are Still Going Through FDA Approvals.

16. No Major Positive Change In Government Influence, HMOs Or Corporate Or Insurance Industry.

17. More Legislative Pressures From States.

18. For First Time, Some Major Exit Stories By Major Companies and Their Investors.

19. No Likely IPO Stories In The U.S. Near Term.

20. 2013 Looks To Be A Slightly Better Year Vs. Recent Past; Until Unemployment Lessens and Debt Is More Available and Attractive At The Local Level, There Is Real Optimism For Industry-Wide Improvement But Still Not At 2007 Levels. Involvement, Effect of Obamacare Is Not Yet Clear.

Caro then introduced the panel,

and they made their comments and then the floor was opened to audience members to step up to a front and center microphone so they could ask questions

of the panelists directly. Then, the meeting adjourned, and many headed to the 32nd Annual IHRSA Trade Show and other educational seminars.

Make It Fun!

Crunch Franchising Announces Deal with Fitness Holdings and RLB Holdings to Open 42 Locations in New York, New Jersey, Massachusetts and Pennsylvania

NEW YORK, NY - Crunch, the health club chain best known for making serious fitness fun through unique programming and cutting-edge training, has inked a deal with Fitness Holdings LLC and RLB Holdings to open an additional 42 clubs across New York, New Jersey, Massachusetts and Pennsylvania.

"Our decision to partner with Crunch Franchise is the result of finding a strategic partner that shares our commitment to delivering industry-leading innovation to its customers. The Crunch brand and its history of pioneering new group fitness classes and state-of-the-art personal training programs, along with a great business model, make Crunch Franchising the ideal fitness organization to work with to achieve our company's growth strategy," says Steve Viscardi, Fitness Holding's CEO.

Crunch Franchise has grown exceptionally quickly in all areas, including units sold, selling over 200 franchises in just over two years, club openings and member growth. Crunch

Franchising has established itself as one of the fastest growing and most competitive models in the industry, and most recently, was named one of the "Hottest Franchises" for the second consecutive year by *Entrepreneur Magazine* and was awarded the prestigious *FBR 50 Award* by Franchise Business Review for outstanding franchisee satisfaction.

"I am thrilled to be partnering with Fitness Holdings and RLB Holdings as they are well established health club operators and business investors who are not only a pleasure to work with, but are a perfect fit to drive growth as they expand the Crunch brand to new and exciting locations," says Ben Midgley, President, Crunch Franchising.

I know that our new partners have fully embraced the Crunch philosophy of 'No Judgments' and will continue to bring the latest and greatest in fitness innovation to these new clubs," said Midgley.

Residents near these new locations will be able to enjoy Crunch's diverse and innovative group fitness classes, including,



BodyWeb with TRX, BOSU Bootcamp, health goals.

Zumba, and tons of state-of-the-art fitness equipment. In addition, Crunch's expert personal trainers are available to help members reach personal fitness and

For more information about Crunch franchising opportunities, go to www.crunchfranchise.com.

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Thanks and Appreciation

At **CLUB INSIDER**, we are excited to be celebrating our **20th Anniversary** of this home-based health and fitness club trade newspaper! The thought that this newspaper 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 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 8 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 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. Plus, we have one advertiser, **National Gym Supply**, with over 18 years advertising with us and one, **Affiliated Acceptance Corporation**, with over 19 years as they have advertised in every single edition of **CLUB INSIDER** since the first month that we sold advertising in June, 1994! We also want to say sincere **Thanks and Appreciation** to all of our **CLUB INSIDER Contributing Authors**, past and present, who've contributed *hundreds and hundreds* 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 20 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 eight cover stories per 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 in fact, survive. 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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