

Norm Cates' CLUB INSIDER™

The Pulse of the Health and Fitness Club Industry



(L to R) Daron Allen, Bill McBride, David Patchell-Evans, J.P. Green, Maria Parrella-Turco and Brent Darden

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Visual Fitness Planner's 4th Annual IHRSA Seminar Loaded With **Gold Nuggets!**

APRIL 2014

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Norm Cates' CLUB INSIDER™

The Pulse of the Health and Fitness Club Industry

Visual Fitness Planner's 4th Annual IHRSA Seminar Loaded With Gold Nuggets!

By: Norm Cates

Part I

Over the course of 21 years of publishing CLUB INSIDER, we've published very few cover stories about non-club owner/operators. However, this cover story is very special because we're showcasing the knowledge and experience that five of the top health and fitness club owner/operators in the world shared with our industry at the 2014 IHRSA Trade Show and Convention in San Diego. The panel was hosted by Visual Fitness

Planner (VFP) and moderated by **Daron Allen, CEO of VFP**. I chose to produce this cover story because, after attending the Seminar entitled, *90 Minutes with the Most Connected Club Owners in the World*, I was sure this information would help many in our great industry understand why panelist Maria Parella-Turco said to all who were listening that, "I think that the birth of the boutique studios is the best thing to happen to us."

I came to realize that this was a rare opportunity to present a very special cover story featuring extremely valuable comments from those whom Daron Allen



theultimatesalesengine

called *The Most Connected Club Owners in the World*. The truth is the title of the seminar was quite accurate, and when you read this cover story, you'll find that this manuscript (yes, folks, I am calling it a manuscript) of over 11,500 words long features extensive in-depth comments from VFP CEO, Daron Allen and the amazing and very experienced All-Star Panel of

club business veterans he assembled in San Diego.

The All-Star Panel included *CEO of Active Sports Clubs and Ex-Officio IHRSA Chairman of the Board, Bill McBride; Canadian club business giant owner of over 320 Goodlife Fitness Clubs and a previous IHRSA Chairman, David* (See *Visual Fitness Planner Page 12*)

Breaking News! IHRSA Releases New Industry Numbers - See Page #6

Greg Rowe Was One Wonderful Guy!

LAS VEGAS, NV - Greg Rowe was a wonderful guy! The highly successful veteran of the health and fitness club industry, died from Leukemia on March 25, 2014. Greg is survived by his loving wife of 17 years, Jill (they were together for 8 years before getting married), and their four beautiful daughters, Kayla, Summer, Jade and Jacqueline. He was predeceased by his Mother, Marie and his brother, Joseph Rowe, III. Greg graduated from Dearborn High School in 1975 and earned his Bachelor of Business Administration from the University of San Diego in 1979. He was instrumental in saving lives through fitness and he pursued his club businesses with a burning passion

(See *Greg Rowe Page 6*)



(L to R) - Greg Rowe; Daughters Kayla, Summer, Jade and Jacqueline; and Wife, Jill Rowe

Larry Scott Passes Away At 75

LOS ANGELES, CA - Larry Scott wasn't exactly a 98-pound weakling --he weighed in at 120-- but his life changed forever after he ran across a stack of bodybuilding magazines in an Idaho city dump.

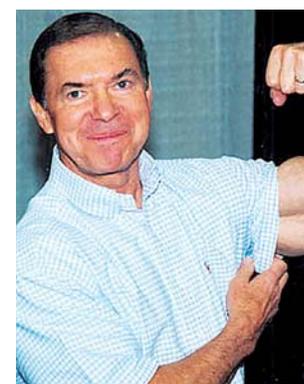
The scrawny 16-year-old started working out in private, doing lifts with a tractor axle.

Within 10 years, he was Mr. Idaho, Mr. California, Mr. Pacific Coast, Mr. America and Mr. Universe.

In 1965, he became the world's first Mr. Olympia, a title designed by promoter and publisher, Joe Weider, as bodybuilding's indisputably supreme honor.

The outcome "was more or less decided the first time the judges got a look

(See *Larry Scott Page 6*)



Larry Scott

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- And of Course, *Norm's Notes*

Norm's Notes

•**Hello Everybody!** This is your **CLUB INSIDER Publisher and Tribal Leader** Since 1993 checking in! I don't know about you, but I'm mighty **Happy that Spring has Sprung! HAPPY SPRING, everybody!**

•Is America a great country, or what? **Hmm... Hmm... Hmm!** Congratulations to **Georgia Bulldog BUBBA WATSON** for his **second Masters win!**

•I want to extend my sincere condolences to **JILL ROWE** and her beautiful daughters, **KAYLA, SUMMER, JADE** and **JACQUELINE**, and **Dr. Rowe, Greg's Dad**, for the loss of their husband, father and son, a wonderful guy, **GREG ROWE**. Years ago, I traveled to **Columbus, Ohio** to visit Greg's chain of **10 California Fitness Centers**. Greg was a partner in the chain with **legendary club business icon, RAY WILSON**. I enjoyed spending the night at their beautiful home and meeting their three wonderful daughters (their fourth daughter had not arrived yet). I can't think of better words to describe my friend, Greg Rowe, than to say that he was **one wonderful guy, and he will be greatly missed** (See Article on Page #3). **May Greg Rowe Rest In Peace.**

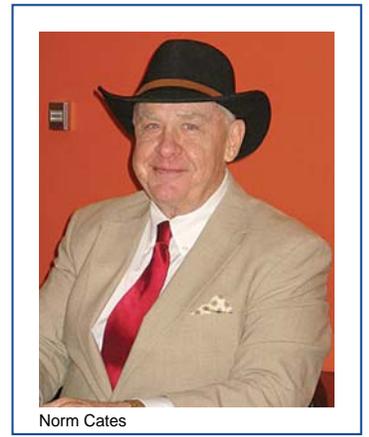
•**Thanks to my friends, JERRY and JERIYLYNN KAHN**, for informing me that another industry giant has passed away.

I want to extend my **sincere condolences** to the family of bodybuilding legend, **LARRY SCOTT**, who passed away at **age 75 on March 8th in Salt Lake City** from complications with **Alzheimer's Disease**. Larry was a huge name in the world of bodybuilding and fitness, and his nickname for years was actually **The Legend**. Larry was also on the late **JOE WEIDER's** list of the **20 greatest physiques the world has ever known**. Larry won the **Mr. Idaho, Mr. California, Mr. Pacific Coast, Mr. America, Mr. Olympia** (twice) and **Mr. Universe bodybuilding titles** during his illustrious career. Larry was also honored by **WALLY and MESHELLE Boyko's National Fitness Trade Journal in 2006** with its **Lifetime Achievement Award**, joining a very prominent group of industry pioneers including: **RAY WILSON, the late JACK LaLANNE, the late ARTHUR JONES, the late RUDY SMITH, BILL HUBNER, RON HEMELGARN, JERRY KAHN, the late ROBERT RICE, the late JOE GOLD, BILL PEARL, KEN MELBY, JOHN MCCARTHY, AUGIE NIETO, BILL KAZMAIER, MARK MASTROV and MIKE BALFOUR**. May **Larry Scott Rest In Peace** (See Article on Page #3).

•**"NO COMMENT!"** were the exact words I heard when I called the folks reportedly behind the recently rumored purchase of **24 Hour Fitness** by a firm

called **AEA Investors, LP.** on **Fifth Avenue in New York City**. My phone call was prompted by a report by my pal, and great writer, **STUART GOLDMAN** of **Club Industry Magazine** in their **Newsbeat** coverage that was then echoed by old Buddy, **MICHAEL SCOTT SCUDDER**. Goldman had reported that long-time industry veteran **MARK SMITH**, formerly **Founder and CEO of TSI**, and now a **major global club business entrepreneur**, has teamed up with another long-time industry veteran, **FRANK NAPOLITANO**, a former **IHRSA Board Member**, to be the lead guys on the **AEA Investor's and the Ontario Teachers' Pension Plan** financing of the reported acquisition of **24 Hour Fitness** for the tidy sum of **\$1.8 billion!** So, since the folks with the *moola* won't talk at this time, I can only say **Stay Tuned, Folks!**

•**Folks, be sure to check out MIKE GRONDAHL's Outside Back Page Ad supporting Augie's Quest!** Please give whatever you might be able to afford to **help Mike help AUGIE, and his wife, LYNNE, win the battle to defeat ALS, a/k/a known as LOU GEHRIG'S Disease!** This ad by Mike is continued follow-up for his huge **\$250,000 donation to The Augie's Quest Bash in March**. *Folks, deep in my heart I believe they're going to find the cure for this dreaded ALS Disease, and when they do, it will forever*



Norm Cates

be known worldwide as **AUGIE's CURE! Stay Tuned!**

•**Thank you to IHRSA** for always looking out for all of the health and fitness clubs in the **United States with its Government Watch and Alert efforts**. I received the following from IHRSA recently, and it's a great example of how IHRSA stays in touch with legislation activities in every State House in America:

Georgia Legislature Adjourned For 2014
 The Georgia Legislature has adjourned its 2014 session without having created any new rules for health clubs in the state. (See Norm's Notes Page 7)

About Club Insider

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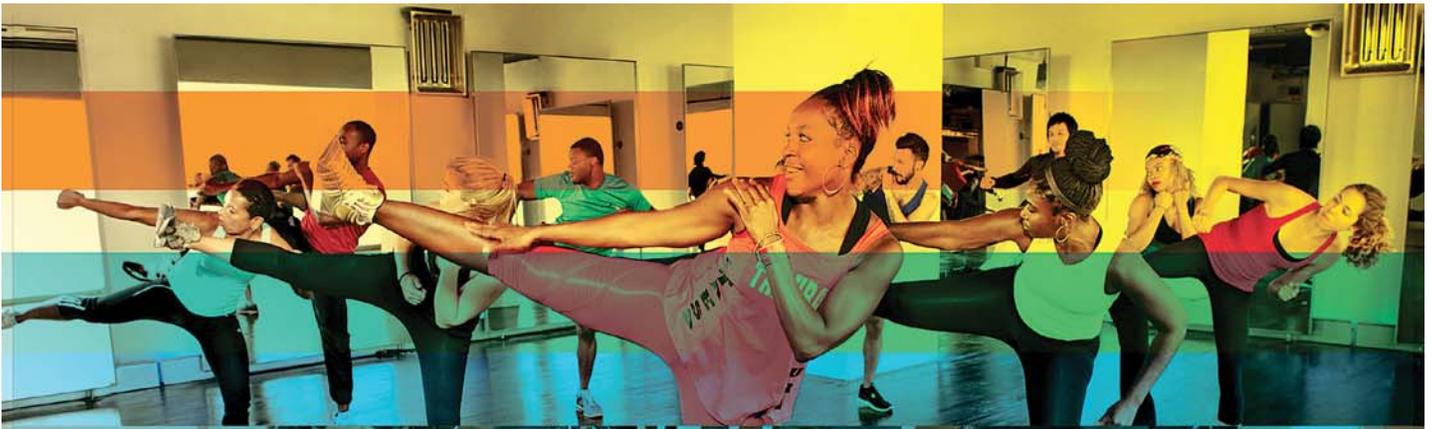
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IHRSA Releases Impressive New Health and Fitness Club Industry Numbers!

BOSTON, MA - More than 62.1 million Americans utilized a health club in 2013 for more than five billion visits, making 2013 the first year that total health clubs visits surpassed the five billion mark.

"There is no question that surpassing five billion health club visits is impressive," says Joe Moore, IHRSA's President and CEO. "It's proof-positive that, every day, the health club industry plays an integral role in helping millions of people achieve their health and wellness goals."

Based on a study conducted by The International Health, Racquet & Sportsclub Association (IHRSA) as part of the Physical Activity Council (PAC), results show that 52.9 million Americans belonged to at least one of the 32,150* health clubs nationwide. When non-member health club patrons are factored in, more than one out of five Americans (21%) are health club consumers.

"The health club industry offers all kinds of fitness options for every budget," said Jay Ablondi, IHRSA's Executive Vice President of Global Products. "Among the many choices available are full-service centers providing a resort-like experience, family-friendly centers, small

studios with expert trainers, convenience 24-hour gyms, women-only clubs and sport-specific facilities."

In the United States, health club membership rose by 5.3%, up from 50.2 million in 2012. Since 2008, membership has grown by 16%. More than 18% of members ages 6 and older belong to a health club in the U.S. In another positive indicator for the industry, card-carrying members frequented a fitness center for an average of 102.9 days in 2013, an all-time high.

In 2013, health club industry revenue in the U.S. increased to \$22.4 billion, up from \$21.8 billion in 2012. "All metrics show an industry that is clearly growing and meeting the needs of consumers," added Melissa Rodriguez, Senior Research Manager for IHRSA. "Total number of members, non-members, visits and revenue all reached historic highs in the United States."

In June, IHRSA will release the 2014 IHRSA Global Report, which will shed light on worldwide industry performance.

Methodology: Each year, IHRSA conducts an annual health club consumer study as

Centers. Legendary health club industry Icon, Ray Wilson, commented from Punta Minta, Mexico about his friend and former partner, Greg Rowe, "Greg Rowe was one of the *Superstars* of my Family Fitness Centers in California. The three clubs in Greg's district were more profitable than any other three clubs in all of my Family Fitness Centers. That's the reason that I chose Greg to be my partner in my

and stunned the bodybuilding world by announcing his retirement. Like boxer Rocky Marciano, one of his heroes, he said he wanted to go out on top.

Ultimately, Scott said, he found solace in his family's Mormon beliefs. After his bodybuilding career, he owned gyms and a Utah business selling bodybuilding equipment, training programs and nutritional supplements.

Born in Blackfoot, Idaho, on October 12, 1938, Larry Dee Scott took courses in sports officiating at Idaho State University but was unenthusiastic. Spotting a matchbook ad for an electrical engineering course at a Los Angeles trade school, he talked his parents into letting him go.

California "was simply the place to be," he told *Iron Man*. "They had great gyms there, and I wanted to bring my



part of the Physical Activity Council (PAC). The PAC is made up of six of the leading sports and manufacturer associations that are dedicated to growing participation in their respective sports and activities. During January 2014/early February 2014, a total of 42,356 online interviews were carried out with a nationwide sample of individuals and households from the U.S. Online Panel operated by Synovate/IPSOS.

*Note: InfoUSA, Inc. provides data related to the total number of club units using the Industry's SIC code of 7991 as listed under

the Yellow Pages. The recent recession has resulted in consolidation of club locations and the closure of weaker-performing clubs, while still allowing for new club locations to emerge in underserved markets. Last year also saw the rise of niche and theme-oriented facilities and continued growth of convenient, always open (e.g. 24 hour), and affordable fitness locations. Using InfoUSA as a benchmark, IHRSA estimates there are a total of 32,150 health club facilities in the United States as of January 1, 2014.

...Greg Rowe

continued from page 3

for excellence.

Greg worked for Ray Wilson's Family Fitness Centers with 70+ locations in Southern California. He was so successful that Mr. Wilson chose to make Greg a partner in Columbus, Ohio in a chain he developed called California Fitness

...Larry Scott

continued from page 3

at Larry Scott's biceps," Weider later wrote in his *Muscle & Fitness* magazine. "Those mountainous, cannonball-like peaks were different from anything the sport had ever seen."

Scott, who was nicknamed "The Legend" and was on Weider's list of "the 20 greatest physiques the world has ever known," died in Salt Lake City on March 8th from complications of Alzheimer's disease, his family said. He was 75.

In a Twitter message, former Governor Arnold Schwarzenegger, who also had a place on Weider's "20 greatest" list, called Scott "a great man who inspired millions."

When he was 28 in 1966, Scott snagged his second Mr. Olympia title

California Fitness Centers in Columbus, Ohio. Greg was such a great partner that I didn't even visit our Ohio operation for the last five years before we sold the clubs for a \$10 million profit. I wasn't aware of Greg's illness until he called me about a month ago from the cancer hospital in Houston, Texas to say *good-bye*. What a brave man! People with his drive, skill, talent and dedication to his work are few,

development to the next level."

In 1964, Scott made his only foray into movies in *Muscle Beach Party*, starring Annette Funicello and Frankie Avalon. He was Rock, one of the muscle men coached by Jack Fanny, a gym owner played by Don Rickles.

In real life, Scott worked out with celebrated trainer Vince Gironda at his North Hollywood gym. He drank a gallon of milk daily, ate lots of eggs and took protein supplements. At full strength, he had "pectorals that looked like hindquarters on a thoroughbred," according to the Salt Lake Tribune.

Scott, who wrote a 1992 memoir called *Loaded Guns*, developed biceps 20 inches around. He did so many "preacher curls" that they also became known as Scott curls.

One of Scott's first competitions

and far between. May Greg Rest In Peace."

Greg Rowe was one of a kind. A truly terrific human being. Our most sincere condolences go to his wife, Jill, and her daughters, and to Dr. Joseph Rowe and Greg's six siblings.

Services for Greg were held at St. Elizabeth Ann Seton Catholic Church in Las Vegas on March 31st. May the wonderful guy, Greg Rowe, Rest In Peace.

was for Mr. Idaho in 1959. He was one of eight men competing on a movie theater stage.

Scott too could rhapsodize about his sport. "Bodybuilding is like hearing a symphony," he told the Salt Lake Tribune in 1979. "The more you hear, the more you know, the more you enjoy. To see and appreciate a beautiful male body at its peak takes education."

Scott's survivors include Rachel, his wife since 1966; daughter, Susan; sons, Erin and Nathan; and seven grandchildren. Two sons died in the 1990s, Derek in a 1992 motorcycle accident and Michael the following year.

Source: Steve Chawkins, Los Angeles Times

...Norm's Notes

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During the session, a total of 1,591 bills were introduced, 353 of which have been enacted into law. IHRSA carefully reviewed each introduced bill, searching for legislation that would impact the health club industry either positively or negatively, prepared to notify our member clubs when advocacy is needed. To learn more about legal and legislative issues in the state, go to www.ihrsa.org/Georgia.

On behalf of IHRSA, I add: To give a little bit of MOOLA to help the cause, call MEREDITH POPPLER at IHRSA, (800) 228 - 4772, Ext. 129.

•Big-time club business go getter, RODNEY STEVEN, III, former CLUB INSIDER Cover Story subject featuring his Genesis Health Clubs in Wichita, Kansas, has acquired their 13th club, the St. Joseph Tennis and Swim Club in St. Joseph, Missouri. Best of luck Rodney and Team, as you grow your company.

•I had the pleasure of sitting next to PHILLIP TUMMARELLO, CEO of Advanta Health Solutions, at the Augie's Quest Bash in San Diego on March 14th. In follow-up communication, Phillip introduced me to HorizonbFit

with these comments: (1) Horizon BCBS will be able to see if there's a correlation between exercise frequency and Medical Loss Ratio, (2) HorizonbFit was filed as a health benefit and was approved by the NJ Division of Banking and Insurance, and (3) This is not a health club discount program but rather a way to foster personal accountability by rewarding physical activity. Importantly, it is all tied in the Blue Cross/Blue Shield. For information, you can reach Phil at by phone at (201) 351 - 7801 or email at PTummarello@AdvantaHealth.com.

•Leisure Sports, Inc., former CLUB INSIDER Cover Story subject, has launched a new fitness club in Pleasanton, California they call The Quad. One unusual and market-differentiating thing it will feature is Air Fit, the largest altitude training room in North America. Air Fit will accommodate up to 27 individuals per session who will experience exercising at 5,280-foot altitude, also known as one mile up. Air Fit combines the science of high altitude training with heart rate training, resulting in increased strength, power, endurance and weight loss. Best of luck to all at Leisure Sport on the new club called The Quad!

•KEVIN McHUGH, COO of The Atlantic Club, the fabulous, world-class

club owned by the one and only PAT LAUS in Manasquan, New Jersey, has been named by The Medical Fitness Association (MFA) as the State Captain for the Northeast Region of New Jersey. Kevin already serves on the MFA Marketing Advisory Council. In this new role, Kevin will be the key point of contact for all medically-based fitness centers in his region to keep them informed about the activities and events impacting the member facilities.

•In a Press Release dated March 25th, Midtown Athletic Clubs (MAC), based in Chicago, announced that they're going to pursue a significant fitness industry trend toward small group training and that they've formed an alliance with Italian-based Technogym to invest \$1 million to become the first North American health club chain to feature Technogym's Omnia Training System. The Press Release states:

"A staggering 43% of American health club members now prefer working out in a group, trainer-led setting. Many factors contribute to the rise in small group training, possibly none more important than the social impact that is made when working out in a team environment," explains Midtown's National Fitness Director Scott Hopson. "In addition to being less expensive (than one-on-one

training), group training offers several opportunities throughout the week to take a class, which is more convenient for members from a scheduling standpoint."

•JOSH VOGT National Media Director for PFP Magazine, has announced that they're now accepting submissions for their PFP Trainer of the Year, awarded annually in Partnership with the Club Industry Show. The award will be presented at the 29th Annual Club Industry Conference and Trade Show in Chicago, October, 22nd - 24th. The 2015 winner will receive over \$6,000 in donations and prizes. All submissions are due by August 8, 2014. For more information, go to www.fit-pro.com.

•Thanks to my old friend, JOHN DOYLE, of Long Beach, California, and the former owner of The Belmont Athletic Club, who went to the trouble of providing me with a summary of the Global Leadership Summit. The Global Leadership Summit was presented by DAVE LOGAN, Ph.D., Co-founder and Senior Partner of CultureSync. John even acquired Logan's book, Tribal Leadership, and he sent me a copy of the Appendix from that book. John says the Appendix really contained the full content of his IHRSA presentation. In the Appendix, Logan starts with the question, "What is a Tribe?" He then asks, "What is Tribal Leadership?" So my plan next month is to write an article on Logan's book, Tribal Leadership. So, Stay Tuned, folks!

•Writing above about the important IHRSA Session I had to miss because of scheduling at IHRSA San Diego, I wanted to bring to your attention the fact that IHRSA's 2014 Audio Session Recording Ordering Form is available for you to order the Audio Tapes in MP3 Format for the IHRSA Sessions. To obtain a copy of the IHRSA 2014 Audio Session Recording Order Form, and to place your order, contact IHRSA's KRISTEN WALSH by sending an email to store@ihrsa.org, or you can fax a request for the Order Form to Kristen at (617) 951 - 0056.

•Last month in Norm's Notes, I mentioned that I enjoyed attending the 5th Annual Women's Leadership Summit, organized, presented and hosted by DEBORAH SIENA, President of Midtown Health. What I didn't do was to share the central message delivered by Deborah and her guest presenter, AMY MORIN, LCSW, Psychotherapist. Their Session was entitled: 13 Things Mentally Strong People Don't Do. And, as I said to Deborah at that session, those 13 items, although presented at a women's leadership seminar, certainly applied to men; men, some of us whom from time to time may have acted like knuckleheads. So, for

(See Norm's Notes Page 8)

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...Norm's Notes

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you ladies, and **YES, for you gentlemen**, here are the **13 Things Mentally Strong People Don't DO**:

1. Waste time feeling sorry themselves;
2. Give away their power;
3. Shy away from change;
4. Waste energy on things they can't control;
5. Worry about pleasing everyone;
6. Fear taking calculated risks;
7. Dwell on the past;
8. Make the same mistakes over and over;
9. Resent the success of others;

10. Give up after the first failure (or any failure for that matter);
11. Fear time;
12. Feel the world owes them anything;
13. Expect immediate results.

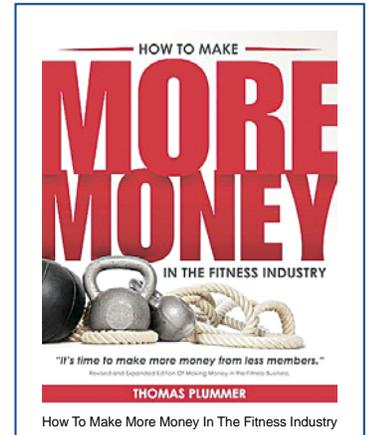
Those are great thoughts to **LIVE BY!**

•The **Canadian Fitness Industry Leadership Award** is **Fitness Industry Council of Canada's (FIC) most prestigious honor**. The award is given to an **FIC member** who has, proven throughout the years, to be an industry leader while operating a fitness facility. This individual has been passionate

about the wellbeing and promotion of the industry while contributing significantly to its progression. The first ever **Canadian Fitness Industry Leadership Award** was presented in memory of **HENRY POLESSKY** at **IHRSA 2014** in **San Diego** on **March 13th** at the **Canadian Forum**. **Henry's family was on hand to accept the award on his behalf**. Henry's leadership was also recognized later that evening at the **Canadian VIP Reception**. **Our friend, HENRY POLESSKY**, was one heck of a great man, and we're very sad he's left us. **May Henry Polessky Rest In Peace.**

•My long-time friend, **THOMAS PLUMMER**, has written his seventh book, entitled: **How to Make More Money in the Fitness Industry**, with the subtitle: **It's time to make more money from fewer members**. It's a real doozie at **439 pages!** To me, it's interesting that our industry has been going through what I will best describe now as a real and tangible **Paradigm Shift**. Five years ago, most of you in the business of building, owning and operating health and fitness clubs were not happy at all about the low-priced model Planet Fitness had made so hugely successful. But now, the tide has turned, and operators have now shifted to where they've come to realize that the low-priced model, now copied by at least more than 50 different club entities, is one where clubs can grow Personal Training and Small Group Training revenues hugely by mastering the challenge of establishing EFT accounts for payments. Importantly, in an industry whose P&Ls have for decades shown **Membership Revenue** as the primary source of club income, it now boasts of income accounts collected via EFT for Training and Small Group Training that, as little as five years ago, hardly existed. Reading our **Cover Story (See Page #3)** this month, one that I promise is chocked full of industry knowledge and experience, I quote the smart **Maria Parella-Turco** who said on the panel in San Diego: **"I think the birth of the boutique studios is the best thing to happen to us."** Well, hearing Maria say that, and then telling the crowd that her average income from their training clients **has risen from \$210 per month to \$260 per month**, really opened a lot of eyes in the room in San Diego that day, including mine.

It's interesting to note that **IHRSA's JOE MOORE**, in his **State of the Industry Address at IHRSA 2014 in San Diego**, announced that there are now an **32,150 clubs** in the United States, **more than any time in history**. So, Thomas' book clearly provides an in-depth look at the industry, as veteran Plummer sees it, and has been teaching it for years. Clearly, with the number of clubs increasing, according to Joe, from **30,500 in 2013 to 32,150 in 2014**, you would think that more clubs means fewer members per club, for sure. But, I do think that the low-priced model is changing that, too. Applying



the teachings of Thomas Plummer to real-world application, his former client, and now Partner in the **National Fitness Business Alliance (NFBA)**, **Rick Mayo**, is making a fortune here in Atlanta at **Northpoint Fitness**, his **6,000 square foot Personal Training and Small Group Training Center**, a quaint little place that, with very few machines, is generating \$200+ a square foot in revenue, with average income of, in some cases, over \$300 per month per client! Then, there's **Maria**, with her per month average income for training clients now up to \$260! This industry is squarely set up to provide many who've been struggling to make it on just membership revenues in their clubs to now be making much, much greater profits than in any time in the health and fitness club industry history, via the EFT dues collections process for training. **Stay tuned, Folks!** And, to order Tom's book at the **low price of just \$31.55**, go to **www.amzn.com/1606793039**.

•This from the **Atlanta Journal Constitution Newspaper**, April 1, 2014 edition, and this writing does not to appear to have been an April Fools Joke. The headline reads: **Excessive running harmful, study says**. The sub-headline read: **Marathoners' arteries have increased plaque, a factor in heart attacks**. The article, by **EDWARD M. EVELD** of the **Kansas City Star**, begins with: **"If running 15 miles a week is heart healthy, running 45 miles a week gives you a cardiovascular system three times as clean and strong, right?"** It continues with, "A new study sounds a serious alarm about such thinking, adding to a serious alarm about such thinking, adding to a growing body of research on the topic of excessive endurance exercise." **Stay tuned** to see what may develop from this. If you want to read the article, I've scanned and saved it and will send it to you in reply to your email to me requesting it at **Norm@clubinsideronline.com**.

•In addition to all of his other duties, my **Super Son, JUSTIN CATES**, is **CLUB INSIDER's Tech Man** and a **great one he is at that!** **Thanks Justin Cates for all** (See Norm's Notes Page 10)

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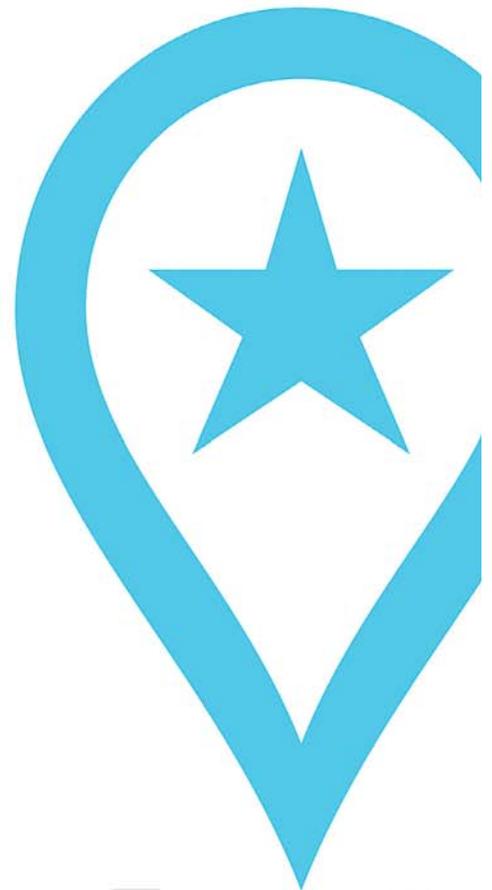
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...Norm's Notes
continued from page 8

you do for me and this great industry we love. Get this! During CLUB INSIDER's first ten years of publication we were not digital, meaning that our monthly production of CLUB INSIDER editions had to be typed, word for word, onto a floppy disk. Then, the pages would be made up, and from those pages, negatives would be made. From the negatives, plates would be made for the printing press. So, because we were not digital during our first ten years, there was a huge project looming. The challenge was that should we want to

have each and every edition of our now **244 monthly editions of CLUB INSIDER** that we've ever printed on paper to also be available in our **CLUB INSIDER Online Archive Library**, how could we do that? So, very determined to make this happen as a service to our loyal CLUB INSIDER readers and the entire health and fitness club industry worldwide, **Justin acquired a large 11" x 17" scanner. And, during the last four months he has, page by page, scanned over 3,700 pages of our first ten years of CLUB INSIDER Editions!** By July 2014, CLUB INSIDER's website (www.clubinsideronline.com) will feature an **Online Archive Library**



will have every single page of our 21 years of our CLUB INSIDER issues, which will be 247 monthly editions at that time. What this means is that for the **small sum of just \$89 for a one year printed edition subscription to CLUB INSIDER**, you will also receive online access to every past edition of CLUB INSIDER. **Don't miss the opportunity to go back and read up on the history of the health and fitness club industry, or research any topic, contained in the most complete and through club business archives on Earth. Go to www.clubinsideronline.com/subscribe.**

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• **God bless all of our troops, airmen and sailors and keep them safe. Thank you, Congratulations and Welcome Home** to all of our troops who have served in Afghanistan and around the world. **God bless you and your family, your club staff, your members and your club(s). God Bless America!**

(Norm Cates, Jr. is a 40-year veteran of the health, racquet and sportsclub industry. Cates is the Founder and Publisher of CLUB INSIDER, now in its 21st 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).

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...Visual Fitness Planner

continued from page 3

Patchell-Evans; Co-founder and Owner of Telos Fitness Center in Dallas, Texas and current IHRSA Chairman, **Brent Darden;** Owner of Eclipse Fitness, five Crunch Fitness Franchises, Partner in New Paradigm Partners Consulting, and Founder and Owner of fitRewards, **Maria Parella-Turco;** and Owner of four Axiom Fitness Centers in Boise, Idaho, **J.P. Green.**

Combined, the members of this panel control over **350** clubs, and if you own and operate health and fitness clubs, I urge you to read this entire article. Grab something to drink, a pad and a pen and be sure to allocate the time you will need to read this piece in it's entirety. It could literally put not just hundreds of thousands of dollars in your clubs' bank account, it could produce millions if you take the information herein on Personal Training management with the application of EFT and effectively use what you learn.

Importantly, you will see that this cover story has been divided into two parts. Part I is being published this month, but if you don't want to wait for the printed copy of next month's May edition, so you can read Part II, you can access it online by going to www.clubinsideronline.com (if you are a **Paid Subscriber**). If you are not a **Paid Subscriber**, go to www.clubinsideronline.com/subscribe and become one today. Trust me when I say that, someday, you are going to be very glad you dug in and learned what you learned from this very special gold nugget-filled cover story.

There are a huge number of *takeaways* from the presentation that took place at IHRSA. Among those are the following points that the VFP folks wanted to emphasize:

1. With the low-price players entering markets across America over the past five years, the average price of memberships continues to drop, and the panel sees this trend continuing.
2. Club owners are continually seeking additional revenue sources to make up for the loss in membership sales.
3. The panel emphasized that the most obvious and efficient way to maximize revenue in clubs is to emphasize Personal Training sales.
4. This led the panel to a discussion of how their Personal Training departments are being completely revised from the ground up.
5. The fact that the Personal Trainers of America seek a stable future and how to achieve that was discussed.
6. The panel discussed business plans for Personal Trainers to take them through their first 90 days... all the way to them making



Daron Allen

hundreds of thousands of dollars. Putting strategies in place to help the Personal Trainers achieve that was discussed.

7. The panel discussed how technology tools, such as lead management and sales presentation tools like VFP, significantly increases their trainers success rate in the first 90 days with this allowing them to stay in the marketplace longer.

8. The panel discussed how this new trend has forced the club industry back to selling and delivering fitness, and not just commoditizing memberships. They emphasized that selling fitness is a much more difficult process, which involves consultation selling strategies.

So friends, I invite you to read on now because the items listed above are a fraction of what is covered in this story. But, start reading this *only* if you have time to do the reading of Part I completely. If you're pressed for time at all, just carefully hold on to this edition of **CLUB INSIDER** and read this valuable cover story as soon as you can dedicate an hour or so to read Part I in its entirety, take notes from it and study it. It's **THAT valuable**, and I mean **\$\$\$ MOOLA \$\$\$ kind of valuable!**

The 4th Annual Visual Fitness Planner Panel

Daron Allen (DA) - Welcome everyone! Let me introduce our panelists, left to right. First is David Patchell-Evans. We're very glad to have Patch here. Patch has actually been a customer of ours for almost ten years now. So, we're really excited to have him here with what he brings to the table. Next to Patch is former Chairman of the Board of IHRSA, Bill McBride. Next to Bill, we have Brent Darden, the current Chairman of the Board of IHRSA. He is the President of Brent Darden Consulting, and he was the Co-founder of Telos Fitness Center in Dallas, Texas. Brent and I have



90 Minutes With The Most Connected Club Owners In The World

a long history, and we go back a long way as friends. I don't like coming in second. Can you believe it's been 15 years since I finished second to Brent, as he and I were both up for IHRSA's General Manager of the Year Award. Brent won, and I came in second. If there is anybody I'm happy to come in second to, it would be Brent Darden. Glad to have you here Brent. Next to Maria is Maria Parella-Turco. Maria has A LOT of things going on. She is the owner/operator of Eclipse Fitness in New Jersey; she also owns and operates five Crunch Fitness Center franchise locations; she also has a new Yoga brand called Honor Yoga; she is part of New Paradigm Partners Consulting; and she owns and operates a company called fitRewards. Next to Maria is J.P. Green who is the President of Axiom Fitness, a 4-club chain in Boise, Idaho. J.P. has also been a Visual Fitness Planner (VFP) customer for a very long time. Folks, I'm very thankful and blessed to have everybody on this great panel today. Let's have a nice round of applause for our panelists!

WHY Are We Hosting This Panel Today?

DA - Next, let's get down to business... with the big question: **WHY are we hosting this panel today?** Why are we here? And, why are we doing it in the format that we're doing it in? We're not here to just give you a big sales pitch. Literally, we hope that, when you leave this seminar session today, you've gotten a gold nugget with some great educational content that you can take back to your club and implement to improve your clubs. And, we really want to help make sure that you're going to drive member results and

truly consistent ancillary revenues for your business. On the surface, that big goal of **WHY** we are here sounds pretty simplistic. However, if you really drill down on this concept and try to identify why some clubs are great and generate substantial ancillary revenue in their clubs and why other clubs are reporting mediocre results, at best, and are really struggling to keep their doors open, what you will find is the difference between those clubs really boils down to the following things:

- Are they running their play to perfection?
- Do they have a play, and are they running that play to perfection?
- Regardless of all of the players on their team, regardless of the economic environment that they are in, regardless of their competitors, do they have a play, and are they running that play to absolute perfection?

What you'll find is that, if you do have that play, and if you are running that play to perfection, you're actually going to be driving ancillary revenue similar to the people on this panel. That's why they are here. They are generating great success in their clubs. We really want the panel to share some of the solutions that they have. Some of the insight and expertise that they have along the lines of generating ancillary revenue, generating Personal Training, small group training, large group training... and then, most importantly, how do you blend these solutions so that that play is run to perfection every single time?

What Is Your Play?

DA - One of the things that I hope you are able to take away from this, and I believe that you can... is we at VFP and InTouch can automate your plays for you because that's what we're really experts at doing... we are experts in helping you identify your play... tweak your current play... change your play and even give you entire new
 (See *Visual Fitness Planner* Page 14)



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plays that you didn't have... and then execute them to perfection.

So, the panel is going to help us with that. Hopefully, from this session, you will be able to take away how to double, even triple your Personal Training revenue, and in some cases, you may even be able to get 5 or 10 times the amount of Personal Training revenue, Small and Large Group Training revenue. What I'd like to do is make sure that I touch on one item, and that is what makes VFP really unique... I actually see quite a few customers in the audience today. I appreciate their support, and any one of them will tell you that what makes VFP unique is we actually roll up our sleeves, and we get into your business. We understand your business. We want to identify what your business is great at, or where you might have some holes. We really have a partner mentality with our customers. That is a key thing because every single club has unique business needs, and in our system, we have now built over 400 custom sales engines in twelve countries. These custom sales engines are what we build in partnership with our customer to really help automate their play. That's really what we do. What this does is it makes sure that everyone on your team is playing from the same sheet of music, that there are no skipped steps between your sales team and your training team and ensures that the system is designed to drive the maximum Personal Training revenue.

So, let's go ahead and get to the panel. We've actually given them some questions in advance and asked them to dig into their numbers from their organization and to dig into some of the big WHYs that make their organizations successful. This is our fourth year, and one of the things I love about our panels is that, every year, I see our panelists writing notes furiously as ideas are triggered in their minds. Two or three years ago, Patch was on our panel, and I recall he took two or three pages of notes. So, I encourage you to take notes. And, we will have a little Q&A session at the end as well.

• • •

DA - To start, one of the questions I have is how is it that you are able to get your team to execute at a really high level? What are some of the secrets that you have that really help ensure your teams are executing at a really high level?

David Patchell-Evans (DPE) - I would start off by saying drop the term ancillary revenue... I would just drop that term. It's demotivating and demoralizing to your Personal Trainers, or to other people doing other things. Most of you are thinking, 'I'm going to drive my business with sales, and I'm going to fill the club full with memberships. By the way, we're going

to sit down and do budgets, and *you are ancillary income.*' It doesn't make them feel that great! So, if you want to have great numbers in Personal Training, or if you want to have great numbers in any other component, whether it is Group Exercise or your Pro Shop, you have to approach them as honored members of the team. You have to make them as much a part of the culture as everything else. I think the key component to us having a very successful Personal Training system is that it *isn't an add-on...* it is an integrated part of the whole. So, every single person in that *Division*, which is what we call it, instead of the term ancillary, is part of the team. You have to be careful of the words you use because the words you use are the words they remember. We play hockey in Canada, so you know... they may be the Forward. The retention team is the Defense, and we've got Wings that sell the memberships. **The key thing I think to being very successful is where you start from. It's making every single person feel like they are somebody who adds value to a member's life.** We look at it from three components: (1) How do you add value to your member's life? (2) How do you add value to the life of the employee? (3) How do you add value to the company?

Brent Darden (BD) - I'll add on to what Patch said, particularly about making the employees feel like they are 100% part of the team. I spoke a little bit this morning on engaging employees company-wide, and the Personal Trainers are part of that employee team, the staff team, whether they are independent contractors or your employees. One of the stories I shared is that, through consulting, I've had the opportunity to work with employees in Russia, Spain, China, the United States, New York and Dallas, and one of the things we typically do is talk and interview the Personal Trainers to find out what they think. We don't normally interview them all, but we get a representative sampling. We ask them, 'What's missing? What could the club do better (for the members) to make you feel better about belonging to the club?' One of the answers we've gotten across every continent in every conversation was that individual trainers want to grow professionally. So, giving them the opportunity to grow within your organization on a professional level, I think, is paramount to getting them engaged, to making them feel valued. So, you give your managers coaching. You pay for some of the people to come to conferences like this. And, maybe, you're supporting your trainers by giving them continuing education funds, which is important. But, within your own entity,



(L to R) Daron Allen, Bill McBride, David Patchell-Evans, Brent Darden, Maria Parrella-Turco and J.P. Green

developing programming that allows them to keep learning new tools and giving them the resources to be successful supports what Patch said that was a good way to re-enforce that they are part of the group.

Maria Parrella-Turco (MPT) - We believe that meetings with your trainers, and with any of your staff members, should be motivational, educational and informative. *Culture...* You can have a strategy. **But, I believe that culture eats strategy for breakfast.** So, you need to have a good culture, and you need to understand what that culture is and how they're participating and contributing to that. Another thing is *awareness precedes change.* So, they need to be aware of the metrics that are important to your organization, whether it's retention or program activation. If they're aware of these benchmarks that precede, it creates change.

J.P. Green (JPG) - For us, it starts with people. As mentioned, all of us have systems. Some *similar...* some *different.* But, it boils down to having those people execute that system. So, finding great people and then creating a Vision for them that is bigger than themselves has been something that is very valuable for us. We have a Mission that we recite before all of our meetings... to keep top-of-mind awareness for all of our employees. And, we have a Vision that all of our trainers strive for, which is to have Axiom Fitness' Treasure Valley be the fittest community in America. If they want to be part of something bigger than that, we all know that trainers don't necessarily care about a revenue number or what show-up or closing percentage they have... they want to feel like they're having an impact on

people's lives on a *daily basis.* So, if you can keep that common message in your mind when dealing with your training population, it has helped us see some good results.

• • •

DA - So, does anybody want to speak to some of the systems that you may have in place to drive that vision and help your team execute on that vision?

Dead silence from the panel for 7 seconds after Daron asked that question. Then, in a quiet voice, **Bill McBride**, said, "No," and the crowd cracked up with laughter. McBride then continued:

Bill McBride (BM) - I think you're right here. But, we're not quite there yet. I'm not on this panel because I have a history and a reputation of being an expert on Personal Training revenue. I'm on this panel to share some mistakes that I've made, and the learning that I'm trying to embark upon. I work with three clients. I think that those three clients that I've been working with during the last couple of months are represented in the room: a Gold's Gym group out of LA; Forma Gym in Manhattan, KS. All three of these clubs are on this platform of EFT, and they're all doing a tremendous amount of EFT Personal Training. I didn't do a lot of EFT Personal Training in my previous life with Club One. And, I was never proud of my Personal Training percentage of revenue penetration... it was roughly 6 or 7%. I was only selling 10 to 12% of point of sale services. I was doing a lot of things wrong. But, I had a very customized, high-tech approach. So, I've learned a lot in the last twelve months about Personal Training.

To Patch's point, and to everybody else at this table, it starts with people, and we say that all the time. But, it's got to (See *Visual Fitness Planner* Page 16)

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...Visual Fitness Planner

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be a culture of people first, products and programs, processes, and if you get those things right, you'll probably be profitable and successful. For years, I was a sales and marketing and operations management guy. Spending time on telling the story and having great facilities. We didn't focus on programming enough in my book of business. I think the industry didn't, as well. That's why you're seeing a proliferation of studio models and other Personal Training type models that are outside of traditional big box clubs... because there's been a lack of programming in a lot of our facilities. So, stepping back to the points that Patch and others made, it starts with the culture. What's the core of our product? It's fitness. So, if the core of our product is fitness and wellness activities, then we really need to celebrate the expertise and professionalism and careers of the Personal Training departments, the Small Group Training departments and the other fitness departments. So, I just want to frame that to re-enforce what Patch and the others have said about culture and the priority of our business model is fitness. So, let's put the emphasis on that. Now, you can ask the panel how they might deal with that.

MPT - I have another comment that is important. What Bill said is extremely valuable. People ask me all the time, 'Why did you get into a low-price, high-volume model?' My response is because I don't believe that memberships get results. I believe that programs get results. Now, in our clubs, where years ago the highest paid employee was the Membership Sales Manager, I'm happy to see that it is now the Fitness Director or the Trainers in a facility. I think we've been a retail industry. We've been selling memberships. We haven't been selling results. I've really seen this shift happen in the last couple of years. **I think that the birth of the boutique studios is the best thing to happen to us.** You've got people activating memberships for these facilities and paying \$150 to \$200 per month because they want results. That has really challenged us to focus on fitness, programming, Personal and Small Group Training.

DA - Very good. Does anybody want to comment as we move on into systems that you may have in place to help them execute? Because ultimately getting results is going to drive retention. We all know that.

JPG - I have a philosophy that I follow; it's called: **RND**. You may think 'RND' stands for *Research and Development*. But, for me it's: **Rip Off and Duplicate!** So, I've been fortunate enough to connect with many people that I see up here. I have been able to take different elements of very successful operators and been able to streamline our systems to what fits our

culture and to where we are in the United States. Maria and I were talking, and she's looking for 350,000 people in a 3-mile ring around her club, and we're dealing with 450,000 in the entire trade area. So, we have different things to deal with. But, we try and find what is going to work well for our area. We've been with VFP for a very long time. And, we went through several variations of how we executed with that system and process from initially using it in the orientation moving to more of a point of sale platform and presenting Personal Training at the point of sale. Now, we are going back and delivering it through the orientation process. So, having a tool like that makes it easier for Personal Trainers. One of the most difficult things that I've found, having been a Personal Trainer who was petrified of selling fitness when I first got started, is that it's difficult to find Personal Trainers and make them want to sell. They want to help people. So, if you can create a vehicle for them that makes it easy for them to paint a picture for their clients and provide structure for them so that they don't need to think, they just need to click, and point and create emotion... it definitely helps with results. For us, TouchPoint for a follow-up system and VFP for a presentation platform have been very successful.

BD - I'll just expand on that a little bit further to say that, through consulting, and I'm speaking, not just to the club that I own in Dallas called Telos Fitness Center, but with the clients we've worked with, because often, we go in and work with clients and learn something from each of them. I think there are about eight steps to the most prolific Personal Training program:

- It starts at the very beginning with your marketing pieces, your advertising pieces. If you want Personal Training to be very prolific, you need to show that in your advertising before people ever come and darken the door... whether that's on your website or in print.

- Then, we think it's important to have a point of sale component to Personal Training through the marketing offices, people who are actually signing up the membership with some version of training right at the point of sale. We learned this from failure, as well. If you get them scheduled for that first appointment, whether that's an assessment or a session, right off the bat before they actually leave the building, your closing ratio goes *way up*. We think that's very important. There's a lot of scheduling, and VFP offers that. That's a huge part to make it convenient for the client so that they can schedule



A Packed House For The 4th Annual Visual Fitness Planner Seminar at IHRSA 2014

recurring appointments, which is extremely important, as well.

- Then, there is having the tools. Again, the VFP product is a very nice one for that. But, we think it's really important that the trainer has some sort of a mechanism to do a needs analysis at the coaching session with the potential client, most importantly, perhaps, to be able to demonstrate their value. A lot of members that come to our clubs don't know the *true value of Personal Training* if they haven't experienced it before. They think they can figure the machines out or make progress on their own. It's up to us to somehow provide our trainers with a vehicle, a tool, a mechanism, beyond just their personality and charisma, that shows and demonstrates to the client, or the potential client... here's why we're valuable for you.

- Then, I think it comes back to equipment. You're at the Trade Show. I think it's a quarter of a mile long if you walk it. So, it's one of the largest we've ever had. There's a lot of equipment out there. Some of it is much more conducive to Personal Training than other pieces. So, analyzing your equipment, the way it's laid out, the way it's structured, what type of equipment you've got drives Personal Training as well.

- And then, finally, of course, having really quality trainers. Those are some key points I think that, across all types of facilities, large and small, low-price, high-price, they're really critical.

DPE - I started as a Personal Trainer. I kind of put my head into where they are. I'm pretty visual and, power oriented.

You guys were at the keynote today. So, I want to *tell* my people what to do. I want to *show* them how to do it. *I don't want to write it down because I think I'm the guy.* I'm going to help them get great results. By and far, I think our Personal Trainers fit that mold. They want to show, they want to demonstrate and they want to lead. They want to give examples. So, they are very high-touch people. That's the reason I engaged Visual Fitness Planner over 10 years ago... to make some high tech part of it make sense to the clients. Everything we're saying falls into place. But, I wanted to have a full circle of results so that they fit all different personality types that were coming in, and I wanted the trainer to become successful. So, when you have five clients, you can remember all of their programs. When you have 50 clients, you can remember no one's program. And, if you have the average amount of clients, 15 or 20 clients as a successful Personal Trainer, you get confused and mix them up. So, you need some kind of device that allows you to be organized so you can be successful.

So, how do you get that across to a Personal Trainer? I think it goes back to what I said earlier. What's good for the company will happen if you look after the trainer and the client. The approach we really take in it is how can we make the Personal Trainer really successful in his career? What we do is we make the Visual Fitness Planner as an example about how you make an individual successful. And, by the way, Mr. Personal Trainer, or Ms. Personal Trainer, if you had 20 people following the system, how much money would you make? So, instead of thinking about *OUR* revenue, we make sure the trainer knows *what revenue they're going to make* and how using this VFP tool allows their high-touch to be effective. *When their high-touch is effective, then their bottom line and bank account are affected.* There are very few Personal Trainers that make (See *Visual Fitness Planner* Page 18)



theultimatesalesengine



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Gym Revenue Growth Report

Sabotage, a marketing and research firm based in the UK, sought to find out a how clubs in the United States were increasing their revenue per member. The findings are illustrated with the following case study:

Jason Markowicz

Fitness Premier/Max Fitness
Managing Partner.

Only 2% of Jason's customers were taking up traditional personal training packages and he was struggling to get more people involved.

Introduction

Jason Markowicz approached VFP's Ron Alterio with a problem. For a few years he hadn't been facing much competition but suddenly other gyms started to appear and he had to raise his game. He had to face a double edged sword, not only seeing the market shrink but also facing the risk of having current customers jump ship.

His gym's personal training revenues were low and very much in need of a considerable increase. He was ready to put in some hard work and together with Ron they started to understand how Jason's five gyms' personal training program could be improved. Until that point only 2% of Jason's customers were taking up traditional personal training packages and he was struggling to get more people involved.

He was not able to track his Personal Trainers' performance and his current business model was labor intensive. He knew he had to do something about it.

Jason's Issues

The challenges that Jason was facing were clear. Together with the traditional need to train Personal Trainers in selling techniques, to keep them fresh and

motivated in their approach, he had also to restructure the whole department to maintain efficiency over five different gym locations.

Consistency of service was a problem too. He was not able to track his Personal Trainers performance and his current business model was labor intensive. He knew he had to do something about it. He needed support and was open to finding a solution.

Good Personal Trainers are not necessarily good sales people too.

VFP approach

Our first step was to understand how to sell a personal training program, and how to make gym members feel that working with a personal trainer would genuinely bring a clear benefit to them without a huge financial commitment upfront. We quickly realized that most good Personal Trainers are not necessarily good sales people too and that was the real find. Not only did we propose stopping Personal Trainers having to sell their services, we created an additional dedicated professional to look after the sales aspect of personal training. That person was going to be trained properly and become the spokesperson for Jason's personal training program in a seamless, consistent way, offering the same experience to all customers.

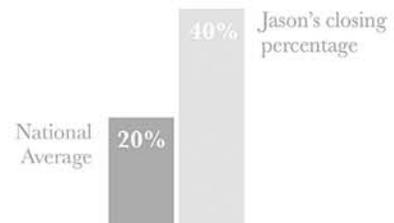
We created an additional dedicated professional to look after the sales aspect of personal training.

The experience had to be 'humanized' and totally customized to Jason and his customers' needs. A support software was created and an effective EFT Playbook put into place.

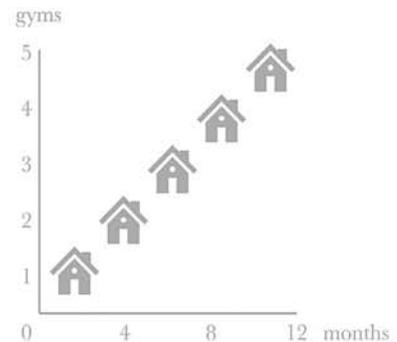
We then helped Jason create a new product where the gym member didn't have to put all of the money upfront, where the solution can be financed slowly over time. We literally acted as business coaches and supported Jason until results were achieved.



Personal training draft doubled in just 6 months.



The new member closing percentage was consistently at least 40%, double the national average.



Implementation across 5 gym locations in less than 12 months.

"I have been working with Ron Alterio for the past 2-3 years on our EFT PT model and we have seen tremendous growth in our PT department. This model has really added stability to our PT department and have really benefited the trainers, sales staff and the club.

We work with Ron and the EFT PT model at 5 of our locations and we have seen great success in all of our locations. This model makes our revenue and KPI's very manageable and we can really identify areas to improve upon quickly and make swift adjustments. Ron has always been very active working with our group and our Fitness Managers.

He is always available for training and continued development with all of our locations"

Jason Markowicz
Fitness Premier/Max Fitness- Managing Partner

...Visual Fitness Planner

continued from page 16

that correlation. Do you guys agree? How many of your Personal Trainers, right now, can tell you how much money they're going to make next year? Anybody? 20% of them? So, unless you want a high turnover of your Personal Trainers, I think you use the example of how you help people by using Visual Fitness Planner as a tool. That's one of the key processes. So, basically, it's how they're going to make money. The more times they train a client, the more money they make. By strange coincidence, the client gets in shape. When you link all of those things together into a full circle, everyone's happy. So, I use Visual Fitness Planner as the high-tech part of what most of our people are, which is: power-oriented, highly visual, high-touch people.

BM - Damn, he's smart! (the crowd laughs) **He is!** So, in sales, we always try to get people to join on their very first visit. Why do we do that? Why do we want people to join the first visit to the club? Because once they walk out, they may not come back. Is that because we're aggressive and greedy and want to just capture a sale? Maybe; maybe not. But, it's because of the phases of change. When people come into the club, they're in a readiness for change stage. They've made a decision to come and look at the product. They've made a decision to take action. The same thing

happens with Personal Training programs. When they're in the club joining, that's when they're most ready to make a comprehensive program decision and change. To Brent's comments, that's an excellent step-by-step process of the things that need to be covered. It starts with that point of sale readiness for change and how you approach that sales process. It's not a transaction. Selling a 10-pack of fitness sessions is the same as selling a 10-day trial. To give somebody the opportunity to make a short-term purchase... to evaluate what goes right, what goes wrong. It's not really a true, long-term commitment. This is about *selling a way of life*. Selling that I want to get in shape and that does not happen overnight, and realistically, you are going to have to exercise for some period of time. Are you committed to doing this once a week, twice a week, three times a week? How are we going to structure the program, that lifestyle, to support you? That's very different than selling ten sessions of Personal Training. *And, it's the exact same process as not selling a membership, but enrolling somebody in a lifestyle.*

So, shifting this concept of verbiage to, as Patch says, ancillary revenue terminology to *we sell fitness*. We *sell active lifestyles*. The way that you are going to get results is with support and the credibility of our professionals. That's going to require a commitment. We make it easy. Would you like to work with a coach one time a week, twice a week or

three times a week? We anticipate your initial program to be six months or twelve months. So, with that said, it's a frame of reference. I'm seeing more and more 30-minute sessions. More and more EFT. Ongoing programs. But, the key is to bake this in as part of the solution the way the studios have, to your point Maria, which was dead on. People join. You can easily spend \$300 a month on Barre classes and programs. So, a year ago, I wasn't really open to the 30-minute session concept. But, as I think about it, especially with busy professionals who want something they can bite off, a lot of people can't commit to an hour when they've never exercised before... that's intimidating. So, there's a lot of things to look at. How do you bring down the barriers and make this work for the consumer as a program, not a transaction?

• • •

DA - Very good. Maria, I'd like for you to speak further to Bill's comments in terms of EFT and 30-minute sessions. I know we've been working with you in your facilities on these things. So, take a little time and walk us through that journey.

DPE (chipping in): Maria, before you do, I just think that everybody should know that Bill's really smart, too. (*crowd cracks up with laughter again*)

MPT - And, I'm going to say again, Bill, I agree with you a *second time*. Exactly on point... activating programs one, two or three times a week... I think that 5- or 10-packs definitely reminds me of tanning sessions. *There's really no commitment to results.* We're just not making an impact on people's longevity. For us, EFT really helped us with that. To take that person into a consultation and show them the value of working with a trainer once, twice or three times per week. And again, to Bill's point, half-hour sessions have been great. So, we provide 30-minute and 60-minute sessions. VFP allowed us to take that EFT concept and create a playbook. I love that term because it is a playbook. I'm a holistic consultant. And, being a consultant, I work with many clients in the room. I really enjoy working with VFP's Ron Alterio; raise your hand, Ron. 'If you're a consultant, why would you need to bring in a consultant,' you may ask. The reason? Ron and the VFP Team are professionals in the Personal Training field. They bring a tremendous amount of expertise on Personal Training and EFT.

We're all different. We all have different models in our facilities. Lots of concepts are the same, but they work. You've got to get a picture of your profit objectives and create a playbook specifically for your club. VFP does that for you.

So, some of the impactful things occurred with us when we brought in VFP in one of our facilities, and **we had a 33% increase in sales, our closing percentage, or as we like to call it, our activation percentage, went up 15%. Probably the biggest thing was the average revenue per member per month went from \$210 to \$260.** So, most people *saw the value of a twice a week*, versus a once a week program. That was because of VFP. We know that twice a week initially is a better program than one time per week. Then, we decrease the level of frequency once they complete their 3- or 6-month program and switch it to a maintenance program of one Personal Training session per week. So, hopefully, Daron, I've provided a little bit of information on the value of the VFP process, and the EFT system, or *playbook*. And, I would like to add that, in the past, with the paid-in-full memberships in a crowded market, we found that we didn't want to be in the Accounts Receivable department with collecting revenues for renewal. We went there on the membership side, and we're now going there on the PT side. We're looking for 80 to 90% of our new membership activations into Personal Training to be collected by EFT and only 10 to 20% being paid in full. That's been a game changer, for us for sure!

• • •

Part II of this cover story will be published in the **May 2014 Edition** of **CLUB INSIDER**. However, to read it today, go to www.clubinsideronline.com (if you are a **Paid Subscriber**). If you are not a **Paid Subscriber**, we welcome you to become one today at www.clubinsideronline.com/subscribe.

(Norm Cates, Jr. is a 40-year veteran of the health, racquet and sportsclub industry. Cates is the Founder and Publisher of **CLUB INSIDER**, now in its 21st 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)

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Bill McBride, Departing IHRSA Chairman of the Board, On IHRSA San Diego and Active Sports Clubs

By: Bill McBride

Wow, what a convention and tradeshow! I've probably been to 20 or so IHRSA conferences and trade shows in my career (thus far). This year's event seemed to be the best I've ever experienced. Granted, there is some bias here for me. This was my last IHRSA conference as an IHRSA Board Member. After having the privilege of serving as a Board Member, Committee Chair, Chairman and Ex-Officio over five wonderful years, I'm more attached emotionally and purposefully to this industry and Association than ever before, especially cognizant of the important public policy work and industry community/family.

The words that seem to keep popping into my mind about our industry are "community" and "family." That may sound cliché. At this particular convention, I realized how many people I have crossed paths with from working together, competing against, and in some cases, both. The emotions around these reconstructions are not around differences but around good

times and commonality: how together we all seem to make each other better. I can't imagine another industry where competitors, both in the club sector and equipment and supplier sectors, willingly come together to embrace a sense of community and betterment for an entire industry. The trade show was amazing. The keynotes were thought provoking and inspiring. The sessions, panels and roundtables were action-oriented. Attendees/operators, consultants, vendors, manufacturers and suppliers all added ingredients to a recipe that was simply out of this world.

My advice to the veterans is to **stay involved**. Public Policy and Health Promotion are keys to our united success. Keep pushing your comfort zone on redefining our business models with touch and technology. Program not only for current members but also for our FUTURE members. Share data so we collectively can improve.

My advice to those earlier in their careers is to **get involved**. Go to the IHRSA Institute, read the newsletters

and reports on consumers, benchmarks, retention and research. Challenge the status quo and network. Share and question everything. We all realize that the traditional club business is still playing to the 15 - 25% of the population that are intrinsically motivated. To be a significant catalyst in activity, we have to appeal to the "normal" people, with non-threatening fun engagement. Communicating their way in their spaces.

Together, We Are Better!

We are at a precipice. The winds could be at our backs, so let's align our sails to ride the momentum towards the activity tipping point. Employers, insurance carriers, medical providers and the populations we want to serve are all clear; we all need to move more and live healthier lives. Let's adapt into the external reality and not stay internally focused. Look "outside-in," not "inside-out." What can we all learn from what Google, Facebook, Nike and all of the "outside interests" are doing in the activity movement to serve our clientele?

Our new company, Active Sports Clubs is looking at the communities we serve in great detail, and then tailoring what is missing. To win is to serve different unmet needs, not try to beat competitors in a zero-sum game that simply drives down prices and drives up expenses. We must meet needs that are currently unmet and develop sustainable business models that optimize profitable growth allowing for the enhanced evolution of our industry. This requires evolving, smart technology to serve a need and continuing the high touch and human interaction that is timeless in society.

Active Sports Clubs (Operating as Active Sports Clubs; Active Wellness and Active Community) has ten commercial health clubs, one hospital-based fitness facility, several independent clubs (universities, office parks, hotels) and many corporate fitness and community centers. They all have the same goal: deliver for the member in a localized fashion based on the environments in which we operate our lifestyle concept. And, all realize that fitness and wellness are not contained in our four walls.

All benefit from the best practices of a major company committed to People, Product, Programming and Process Improvement. We share best practices with one another, our teams, our clients and the industry as a whole. This is based on the experiential data and results over many delivery systems. While our model is predicated on a local site focus, with broad



Bill McBride

programming and facility experience, we also do a lot of testing in our own sites so we aren't experimenting on our clients. Additionally, owning clubs allows for a much more robust infrastructure in marketing and technology expertise that can be leveraged inexpensively for clients. One of Active's many strengths is its broad knowledge base and system structure around fitness, weight loss, activity, wellness, technology, along with sales and marketing expertise. I honestly believe we have a great formula in the industry for our newly acquired sites and our clients. We are eager to be of service.

Our "working acronym" is:

A = Authentic;
C = Caring;
T = Teamwork;
I = Innovative;
V = Values-oriented;
E = Excellence.

We help people change their lives for the better around fitness, activity, wellness, weight loss, balance and learning. We believe one's life is made up of how everything fits together. We create and support active lifestyles. We focus on the unique aspects of the communities we belong to and are localized in our approach. Our mission has been and remains to create inspiring environments to help people make positive changes in our communities through: Expertise, Comfort, Friendliness, Cleanliness, Support, Learning, Fun and Results.

(Bill McBride is a partner with Jill Stevens Kinney and Cary White in a recently launched company, Active Sports Clubs, and he was formerly Chairman of the IHRSA Board of Directors. Bill can be reached at bill.mcbride@activesportsclubs.com)

IHRSA 2014 Showcases Fitness Innovation and Leadership

BOSTON, MA - IHRSA 2014, the International Health Racquet and Sportsclub Association's 33rd Annual International Convention and Trade Show, and the largest U.S.-based gathering of health club operators, suppliers, and fitness industry professionals, showcased the newest and most innovative equipment, programs, technology and exercise trends. Attending IHRSA 2014 were over 11,000 industry professionals, including over 7,000 convention and trade show attendees from over 80 countries. The high-energy event, held in San Diego, California, March 12-15th, celebrated industry success, product and service innovation and the industry's commitment to increase global physical activity levels.

The exhibit hall, with 372 exhibiting companies, occupying over 180,000 square feet of exhibit space, was buzzing with excitement and all sorts of exercisers during trade show hours and early morning workouts.

"I extend my sincere gratitude to each and every attendee, exhibitor, sponsor, and presenter for their dedication to this great industry of ours, and to their commitment to help people across the world live happier, healthier more active lives," said Joe Moore, IHRSA President and CEO.

Moore kicked off the first two days of the 4-day event with videos (<http://bit.ly/1hB63WO>) highlighting the efforts of the global community of IHRSA members and their efforts to bring Physical Activity to the world. This dovetailed with the launch of the industry's #WhyGetActive campaign, which highlights the work health clubs are doing to help more people make exercise part of their daily lives.

Each day of the 4-day event was highlighted by an inspiring keynote presentation. **Sally Hogshead** kicked off the convention with a dynamic presentation on *How to Fascinate* (sponsored by *SPRI*). Day One also included a special presentation for Global Industry Leaders and ILC members on Tribal Leadership, presented by **David Logan** (sponsored by ABC Financial).

Day Two was highlighted by **Dan Heath's** presentation, *Decisive: How to Make Better Choices* (sponsored by Technogym), and on Day Three, **Gary Vaynerchuk**, author of *The Thank You Economy* and *Jab, Jab, Jab, Right Hook* (sponsored by Matrix Fitness) gave convention attendees a much-needed, well-received lesson on communicating in 2014 and beyond. To powerfully close the convention, **Luke Williams** spoke about (See *IHRSA 2014 Page 21*)

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—Christian Arcario, GM, Gold's Gym of Allentown

Corporate Fitness Works Acquires L&T Health And Fitness

ST. PETERSBURG, FL - Corporate Fitness Works (CFW), a leading provider of health and fitness management and consulting services, announced that it has acquired L&T Health and Fitness (L&T), whose clients include Fortune 100 corporations, multi-cultural organizations, financial institutions, the U.S. military, federal and state governments, universities, hospitals, non-profit organizations, residential communities and property management companies.

Both CFW and L&T have over 25 years of experience providing fitness and health management services, health and wellness program design and delivery and facility design and consulting services to organizations nationwide.

"We are thrilled to be blending operations with another industry leader like L&T. Both organizations values are rooted on the belief that strong relationships are the key to business longevity and success. This new venture will definitely

be beneficial for our clients, our team, and our suppliers." said Sheila Drohan, Co-founder of Corporate Fitness Works. Co-founder Brenda Loubé shared, "It is very exciting to be bringing two certified women owned businesses together as one. We enthusiastically welcome L&T's employees and clients to the CFW team."

"We're confident that our clients and their members and employees will continue to get the results they expect under L&T," said Susan Liebenow, Co-

founder of L&T. "We think it's a natural fit and the transition will be seamless. Susan Torok, my co-founder and I are grateful to all of our employees and loyal clients and members over the years. We believe this transition will improve service."

Allison Flatley, COO of L&T, will join the CFW ownership team as COO of the combined company. According to Allison, "The industry can expect the best-of-the-best as the two companies form one perfect fit."

...IHRSA 2014

continued from page 20

how the fitness industry is ripe for disruption in his presentation, *Disrupt: Sparking Business Transformation with Innovation* (sponsored by MYZONE).

Many convention attendees exclaimed that this was the best line-up of speakers ever.

In addition to the four keynote presentations, the Global Leadership Summit and the Women's Leadership Summit, more than 150 educational, exercise and networking sessions were held throughout the 4-day convention.

"There were so many great ideas for sales commissions, campaign ideas, new types of trial memberships, new ideas on leadership as well as new waves of marketing!" said Anna Rounaja, Owner of Liikuntakeskus Hukka in Oulu, Finland, attending her third IHRSA Convention. "I really enjoyed this event and got so much to take home with me. I am definitely attending again next year, and would strongly suggest anyone not hesitate to take the trip next year to Los Angeles," she added.

Three industry leaders were recognized during IHRSA 2014 for their commitment to serving the industry and their local communities. The Outstanding

Community Service Award was presented to Gold's Gym Dutchess County. The Julie Main Scholarship was presented to Patsy McLean of the Adelaide Club. And the Associate Member of the Year Award was presented to ABC Financial. Additional information, criteria and past award winners are available at www.ihrsa.org/awards.

For the 9th consecutive year, IHRSA proudly hosted The BASH for Augie's Quest, 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 2005, displayed his strength gains by walking (with assistance) across the stage, to the delight of the over 1,000 Bash attendees. The 2014 Bash raised over \$1.7 million. Since 2006, Augie's Quest, in conjunction with the Muscular Dystrophy Association (MDA) has raised over \$41 million.

Experience-Based Selling, Not Price-Based

By: Jason Reinhardt

In our industry, we have one chance to capture a member. Yes, of course people will circle around, price shop and eventually pick a place. I want to focus on the majority and not the minority. I believe most people who have connected with a person at your facility will buy a membership on their first visit. On the flip side, I believe that a person will not buy on his first visit if taken from the front desk, quickly shown around and then shown a pricing special.

I believe there is a simple but very effective system that you can follow to help you capture a member on his first visit. To keep your team motivated to execute at a high level, you want the system you use to be easy and simple but have it produce great results. That, in turn, will equal a powerful culture in your facility with your team members. I have used this system in large corporations, and now, as a single club owner.

First you must have a meet and greet process at your front desk. This

should consist of a sign-in process to capture the follow-up information, but more importantly, a meet and greet script. This is your one-and-only chance to make a great first impression. Do you currently let your front desk staff say what they want and hope it's good or do you have a structured script?

Second, you must have a profile card and needs analysis process to assure your staff finds out the *real why* someone came into your facility. This is where you separate yourself from your competition. When you know his why, you can then help him and truly connect with him. This is when you earn someone's business rather than try to take it, like many clubs do. The profile card should consist of three simple areas to discuss with your guest to help you discover his *why*: Past, Present and Future. Once you uncover where someone has been, where someone is and where someone wants to be in his fitness goals, you'll have a great chance to make a difference in his life!

Third, you must give a demonstration tour, not a Disneyland tour. This

means that you want to engage his emotion while on tour by trying some equipment. Show him how easy it is to use and how it can help him reach the goals you've uncovered on the profile card. So many staff members walk fast, point at equipment, come back to their desk and show pricing. Slow down, explain the benefits of the equipment and demonstrate how it can help him. Get him excited, engage him emotionally and take the extra time to earn their business.

Fourth, you should have a pre-close script in place. A pre-close is not sitting down at your desk after the tour and asking, "So what do you think?" It's about capturing his emotion one last time and asking, "So, after seeing and hearing everything on your visit today, does this look like a place you'd like to start a fitness program?" Do this while standing in a high-energy place in your facility. At worst, you'll hear, "yes, but what are the prices?" About 99.9% of the time, if you've done the steps leading up to the pre-close, you'll hear "yes." At that point, shake his hand and welcome him to the club before you even sit down to discuss



Jason Reinhardt

membership options.

Fifth, show the membership options and ask for referrals. Make sure you remind him of their goals, which you've discussed, and the *why* he is here. Remind him of the things you've shown him that can help him reach those goals. Show the membership options and make
 (See Jason Reinhardt Page 25)

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Become a Media Darling in the Fitness Center World

By: Nancy Trent

Everyone wants advice on fitness. They want to know the best workout for their body type, where to work out, how to improve their timing, their abs, their recovery and the list goes on. Consumers' demands for information are infinite, and the media cannot keep up. They need and rely on the assistance of "those in the know" to keep them up to speed on the fitness industry.

People are more interested in seeking out the tutelage of celebrities than someone who has the knowledge and expertise to really help them. This is because celebrities have the fitness and fortune consumers envy and aspire to achieve. The key note to remember is that, more often than not, it's the fitness center and its trainers who are the experts celebrities rely on to help them maintain their good bodies.

This begs the question: Are celebrities experts? 99 out of 100 are not; it is their influence that sways the masses. But, you can harness the secret of that influence. Use public relations techniques to transform your brand into a media darling, the company that consumers love

and journalists can count on. Then, your experts will be quoted in the media, and people will perceive your club as the spot where celebrities work out.

- Determine who on the team will be speaking with media. Is it the owner, the manager or the most popular trainer?
- Who will be pitching media on the spokespersons behalf? Is it the marketing director? The office manager?
- All of these are viable options if you don't have a paid spokesperson or PR firm.

What Does A Real Expert Look Like?

Our perception of experts is those smooth-talking TV trainers who grace the small screen every night. In reality, an expert has no defining aesthetic characteristics. He has a certificate of training, he dresses the part, he might have a book published or a workout on the market, maybe not. All of the technical requirements to be an expert are good, but in order to become a spokesperson, media savvy is even better. The same goes for a brand. Sleek logos and incentives are nice, but being media savvy is a more effective method to becoming a trusted name in the

fitness industry.

What Does It Take To Position A Club Or A Fitness Expert As A Media Darling?

Highlight their credentials. This can be done through a number of arenas, and the more you communicate with your market, the more clout people will attribute to you and your brand:

Write a book. This doesn't have to be the *War and Peace* of fitness books. After all, *The South Beach Diet* began as a pamphlet and turned into a national sensation. Now it's a lifestyle.

Participate in fitness trials. This is especially important for the hard-hitting journalists; there are a lot of fitness centers out there, and it's important to be able to provide professional and validated reference materials for your claims.

Be an active member of associations and influential fitness societies. If your peers know who you are and respect you as a knowledgeable and leading voice, they will support your business and refer media (and clients) to you.



Nancy Trent

Get published in local newspapers and magazines, or trade magazines. This will help your fitness center and staff establish a portfolio that you can send to media when they want to know more about who you are and what you've done.

Be a speaker. Not only will this increase your credibility and name recognition in your community, it will be good practice for speaking in front of larger audiences (See *Nancy Trent* Page 25)

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and cameras. Opportunities for true fitness experts to speak at Chamber of Commerce and other local events are there if you make the effort to reach out and find them.

Be quoted in newspaper articles and appear on TV. Once you start getting your credentials out there, you will become a good source for quotes, and this will take on a cyclical effect. The more you're quoted, the more you're quoted and the more traffic you will drive to your business.

Become the local expert on the human body. Your spokespeople should know all of the workout trends, equipment and what is coming next. They should be knowledgeable and prepared to speak in sound bytes about the issues and whatever is in the news. You need to have great case studies, excellent before and after photos and always have someone who's available and quotable.

What Will You Need?

Have a press kit that includes news journalists can use immediately in the form of fact sheets, press releases, profiles, areas of expertise, story ideas, talking points/interview topics, before and after photos, case studies, headshots, tape

of spokesperson(s), B-Roll of workouts and a summary of your credentials.

Before you communicate with journalists, obtain media training and develop a set of messages about your company. You want to use language that both clients and journalists will understand and relate to. Practice giving reporters "quotable quotes" and news they can use. And, always be prepared to cite compelling statistics, numbers, anecdotes, personal experience, etc. whenever possible.

How to handle media interviews is important to know because you never know when media will want to speak with you so you always have to be prepared. Here are five basic media training tips:

Know your agenda: Before each interview, have your agenda in mind for those points you must get across about your brand, your practice, your particular area of expertise, the market, etc. Always try to answer the questions put to you, if possible, but then bridge to *your brand's* agenda. **DAM:** Diffuse the question, Answer it, and Make points from your agenda.

Turn uncertainty into a personable moment: When you don't have the answers to a specific question, compliment the reporter on the question and tell him or her that you will get back to them with the answer. Or, use those questions as bridges to say something you would like to say.

If they're wrong, tell them: When presented with an incorrect assumption or question, *don't repeat it*, but say something like, "That is not correct. Let me tell you what is."

Never put anyone down: This is very important to remember, and it encompasses their services, their products, their research, etc. *Nothing is ever off the record.*

Always keep your expertise and status in mind: Be aware of when to use layman's language or technical terms.

Ultimately, the goal should be to cultivate relationships with editors to become a media darling. Help them. Simplify things for them. Always try to

make their job easier. And, remember to send them a *handwritten* Thank You note. Enthusiasm is really the key. If you are enthusiastic and excited about what you do, you give it energy that others can absorb and become enthusiastic about themselves.

(Nancy Trent is a writer and speaker, a lifelong health advocate, a globe-trotting trend watcher and the founder and President of Trent & Company, a New York-based marketing communications firm. She is a recognized expert in PR with more than 30 years of experience creating and managing highly successful campaigns. Nancy can be reached at 212-966-0024 or by email at nancy@trentandcompany.com. You may also visit www.trentandcompany.com.)

...Jason Reinhardt

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a suggestion on which one is right for him. Then, ask for the sale. Once you've earned a new member, it's very important to duplicate your success with referrals. Make sure you have a structured referral script, and don't leave it up to the staff member to freestyle. It never works.

A summary of the process is to engage the guest from the time he walks through the doors until the time he walks out. It is very important that he

feels connected and that he knows you care about his *why!* Keep the process simple: hold your teams accountable when following the process, and you'll earn the business of those first-time visitors. Keep Making A Difference out there; the world needs people like you!

(Jason Reinhardt is the Founder and Owner of Go M.A.D. Fitness, LLC. in Monroe, Michigan. Check out www.gomadfitness.com)

What Has Your Website Done For You Lately?

By: Deneen Laprade

Websites are high-functioning, integrated marketing tools that should be working for you 24/7. I believe all the marketing you do for your club or studio, whether in print or digital, should begin and end with your website. **The main objectives of your website are to capture prospect contact information and drive traffic to your physical location.** Achieving maximum lead generation requires that specific elements be in place to inform, inspire, capture contact data and compel prospects to want to know more.

What has your site done for your business lately? Have you captured information from your visitors? Are your blogs, schedules and videos being shared on social media? Is your website easily viewed on mobile devices? Can you readily and easily make content changes to keep your website fresh and current? Is your hosting service reliable?

I met with our web design team to get useful answers to these vital questions. Lori Vilneff, Lead Web Designer, and Tracey Bourdon, Marketing Manager for Susan K. Bailey Marketing and Design gave me the following information based on their experience and knowledge of best practices.

We'll tackle each of the above six questions, one at a time.

1. What has your website done for your business lately? Both Lori and Tracey are in full agreement. Your **home page** is your chance to make a great first impression. Statistically speaking, it is the most viewed page of your website. A few musts:

- It must have **Forms**. Visitors will provide their contact information to receive more information from you. Make it easy for them to do so. *Remember, this is one of your site's primary objectives!*

- It must be **Engaging**. Ask questions and present special offers so prospects are compelled to learn more. In order to do so, they will call, visit or complete that contact information form right in front of them!

- It must be **Informative**. Remember playing Show and Tell in grade school? Feature videos on your home page showcasing member testimonials, snippets of group training sessions and social events. Entice visitors by showing them just some of the great things going on in your club.

- It must have **Social Media** icons. The easier you make it for visitors to share your posts and schedules, the more likely they are to do so! Prominently feature icons for

the social media outlets you use the most.

- It must have **Contact Information**. There is nothing more frustrating than combing through web pages trying to find a phone number or email address! This information should be prominently placed on every page.

- It must be **Mobile Friendly**. Current use of smartphones to search for information is anticipated to overtake traditional desktop information searches *this year*. This is a simple conversion if your site isn't already mobile friendly.

2. Have you captured contact information from your visitors? In addition to the more traditional forms to sign up for emails and e-news blasts, use landing pages to stop visitors in their tracks. They need to interact with your landing page to move forward in your website. Have a compelling trial offer or some other opportunity for them to take advantage of, then and there.

Lori created a series (Scribbles) with a matching landing page for one of our clients (See **Image on This Page**). It's a great example of a landing page connected with a trial offer.

The content and creative in this example are fun, informative and compelling. It engages the prospect and makes it easy for them to get started. Your best chance to get them to act is right now while they're "in the moment!"

3. Are your blogs, schedules and videos being shared on social media? Our data shows that your members make up the majority of visits to your website. Post social media icons prominently toward the top of the page where they can be easily clicked. Because there are so many choices, Lori cautions clubs to limit your choices to only those outlets in which you are active.

4. Is your site easily viewed on mobile devices? As stated earlier in this article, mobile devices will soon be the primary way to search for information about a business. Tracey says clubs should pick their top five pages for mobile device viewing. Because these pages come from your 'desktop' site, she suggests you speak with your web designer about choosing a balance of text, images and video for effective use on both the desktop and mobile versions of your site.

Keep in mind that members and prospects are on the go and want to know: Where are you located? When are you open? What classes do you have and when are they offered? They may want to see additional amenities and services offered,

such as child care and massage. Add the click and dial feature so they can easily reach your club to get more information.

5. Can you readily and easily make content changes to keep your site fresh and current? This is one of the bigger issues clubs have with their websites (Seemingly, fitness professionals and technologically savvy individuals don't often share the same body!). As you can imagine, a website is a significant undertaking, and being able to easily manage and maintain it is an element you must consider. According to Lori, identifying two or three key members of your staff to be responsible for maintaining various pages can be a huge help.

We all know how fast paced our world is. Fresh content on your site is mandatory. If visitors see the same thing a couple of times, they probably won't visit again. If members don't have fresh blogs and videos to share, that aspect of your site will come to a halt, as well. Don't commit to more than you can manage.

6. Is your hosting service reliable? Don't overlook the importance of working with a reputable hosting service. I had a club recently lose access to its website and email capability in the middle of a campaign. All their marketing vehicles drove prospects to a website that in the blink of an eye didn't exist, simply because the hosting company folded up and disappeared in the middle of the night! Don't let this happen to you.

Our web team came up with a few tips to help you find the right fit for your club:



Deneen Laprade

- Look for different hosting levels on the monthly plans available. The amount of hosting space and email service offered should be in line with your current needs. But, you want to know that as your business grows, you can easily increase these services by upgrading to the next plan level.

- Technical support. Ideally, work with an organization that has some form of 24-hour support for technical issues you will undoubtedly encounter from time to time.

- Reliable uptime. Meaning, the hosting company should be able to say that your site and e-mail service will be running at full capacity almost 100% of the time.

- Secure server. You don't need or want to stress over security issues. You just (See **Deneen Laprade Page 27**)

The image shows a screenshot of a landing page for 'WAREING'S GYM' with several handwritten annotations in blue and black ink. The page header includes the gym's name, address (700 19TH STREET, VIRGINIA BEACH), phone number (757.491.0700), and social media icons. The main content area features a blue box with the headline 'you are here for a reason' and a persuasive paragraph: 'it's obvious you found us through a search or another site, and that's what brought you to us. But in the grand scheme of things, you are here because you want to improve something about your life. Maybe it's to feel better. Maybe it's to be stronger. Maybe it's to be slimmer (ok hot, we all want to be hot). well, here is your start, don't let it slip away! complete this form right now and don't look back...'. Below this is a form titled '30-day PT Experience' with fields for First Name, Last Name, Email, and Phone, and a Submit button. Handwritten notes include 'this p makes like i can run' next to the form, 'it's the knowledge' near the form fields, 'less goals.' near the bottom right, and 'what's that you say?' and 'your fitness goals too?' at the bottom. A footer line reads 'come see us. our fitness professionals will get you started. pretty soon you'll feel more powerful, have more energy'.

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...Deneen Laprade
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want to know that your hosting company takes care of that by meeting all current requirements.

•Ample web hosting space for a growing business. Look for at least 2.5GB of hosting space. As you add content and video in particular, you want to be confident you won't run into issues with insufficient hosting space.

Additional considerations:

•Create a YouTube account for your videos and embed them on your site so you don't use up precious web hosting space.

•Review your Google Analytics reporting twice a month. Look at the number of visits and structure e-blasts and other marketing vehicles to drive up these visits. Test the success of an e-blast campaign by looking to see if site visits increased within a day or two after.

•If you're using back links from other sites to help improve your SEO rankings, make sure you're connected to valid, reputable sites.

•Buy your domain name and schedule the renewal in advance of its expiration. Losing your domain name will essentially fold up your website!

•Don't take pages that have been up and running for years and move them. This act will negatively impact your search rankings, and there are effective ways to work around this.

•Hire professionals to develop your website. Your focus is running a club or studio. Let the folks who know what they're doing create a website that has clear messaging and can direct content for you.

The intention of this article is to give you the basic information you need to make informed decisions about the viability of your current website. Feel free to reach out with questions.

(Deneen Laprade is a Coach for Susan K. Bailey Advertising and Marketing, Inc. She can be reached by email at deneen@skbailey.com or phone at 888-349-4596)

Take Charge: Physician Referrals and Self-Referrals

By: Robin Schuette, MS

You've heard this before: Ask your doctor about... Usually that phrase is followed by the name of a new drug promoted by a pharmaceutical manufacturer. These ads are effective, no doubt because of how much big pharma spends on marketing.

This example has relevance for your health and fitness club in its attempt to gain new members without spending a fortune. The majority of inactive users in your market should ask their doctors about the benefits of exercise. If your club delivers quality programs, this group will self refer. Our educated public is seeking help for chronic issues from pain management associated with arthritis to weight loss needed for controlling hypertension, diabetes and many other conditions. They will pay for programs that address their needs, and they don't need to wait for their doctors.

Plenty has been written about building a physician referral network. Exercise is Medicine (EIM) by American College of Sports Medicine (ACSM) has a complete plan available online and previously reviewed in this publication. Recognizing that doctors do not have the time and training to manage an exercise plan for chronic conditions, ACSM is piloting community-based programs to interface with physicians and specifically the Electronic Health Record (EHR). According to Adrian Hutber, PhD, Vice

President of EIM, plans include revising the current EIM website with a relaunch in June. However, it's not so easy to establish credibility among the medical community.

In this article, we'll cover developing self-referral programs that become the basis for establishing credibility and addressing the needs of your members and prospects. The solutions are not black and white. To learn more, join our free 30-minute *Take Charge* webinar on this topic on **Thursday, May 15 at 12PM CST**. Register at www.medfitpartners.com.

1. Create compelling direct communications. Here we are assuming that you have the tools in place to serve a sedentary, aging market. People with chronic-disease conditions will join your club if it has the programs and reputation to help them safely and effectively. National data from the Centers for Disease Control indicates that one out of two adults has a chronic medical condition with half of these adults having multiple conditions.

2. Start with a PAR-Q. The *Physical Activity Readiness Questionnaire* asks seven simple questions and is one of the easiest ways to identify those members who should have a physician referral before they get started. This form is an essential part of the new membership/sales process, especially for clubs with large memberships. Make no mistake, this is not easy to implement because of the

time required from the physician's staff for follow-up and communication.

For chronic-disease group-training programs, the Par-Q+ may be a more effective tool as it addresses those people with multiple conditions and/or taking medications for them. Adding either of these forms to the intake process relates to your policies and how prospective members perceive the club's mission.

3. Review Fitness Assessments and Lifestyle Consultations. If you are already using a health questionnaire or assessment tool, it's important to analyze the data. **Most clubs do not do this well.** If your members do not complete a lifestyle evaluation, getting started requires a strategic plan. It's not as simple as printing out the forms for the sales office to distribute. The type of assessment or evaluation you use should link to the club's mission and be delivered and monitored with the planning of your fitness director, the fitness team and the sales team.

4. Add pre- and post-assessments for group training programs. Group training programs are the 'it' trend of the year, perhaps the decade. Do your programs deliver pre- and post-assessments to show improvement or change to participants? The results can be effective tools for program promotion and retention as well as community relations.

5. Organize free community health events, such as walking or weight-loss challenges. In our experience, physicians also consider programs that have low-cost barriers as an easy way for patients to get moving. A successful community relations event (preferably longer than four weeks) will help build prospect lists and create many member promotions during the entire event cycle.

Physician Outreach: Why it's difficult

1. Time-crunched Physicians - Need we say anything more?

2. Changing Structures at Hospitals - For small community hospitals joining large networks, the community health education department may have been downsized. Physician groups also are being purchased by large systems. Consider other referral network sources such as physical therapy or rehab departments.

3. Electronic Health Records (EHR) - Paper prescriptions work, but healthcare systems are mandated to create electronic health records. EIM is developing software and a program to link EHR with community resources for those patients with chronic



Robin Schuette

disease, particularly, obesity, diabetes, cardiovascular disease, hypertension, high cholesterol and those at risk of falling.

4. Patient Motivation - How long does it take to change a habit? The 28-day rule popular in self-help articles is not accurate. **On average**, it takes 66 days to change a habit. Physicians may refer their patients to start exercising, but changing lifestyles is not a quick fix.

5. Consistent Communication - With any new initiative, communicating at all levels requires a plan. Internal messages to team members and an external community relations plan need to be consistent, professional and on target. If marketing messages don't tie to service delivery, a new member's experience with each personal encounter in your club may lead to attrition or bad word of mouth.

Here's one simple way to get started with physician referrals: **Talk to your own doctor.**

We just did a trial here in suburban Chicago during our annual physicals. My partner's new primary care doctor was surprised he asked about exercise. She did not have a process for asking patients about exercise or prescribing it. My own physician has always discussed the types of exercise I list on my intake form and typically makes recommendations about how to add more minutes each day. Here's my point: the physician community is diverse. While doctors will need to be more attuned to managing populations through accountable care organizations, there's an opportunity to build your organization's reputation for accountable fitness programs that deliver results safely and effectively.

(Robin Schuette is Co-owner of MedFit Partners Inc. Robin oversees management, operations and integrated communications for MedFit. You can reach Robin by email at rschuette@medfitpartners.com)

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Programming For The “Fun Of It!”

Outdoor Programs For Spring

By: Laurie Cingle, M.Ed.

Spring is here! Members are itching to get outside after a long winter. Keep them connected to your facility by taking your programs outside*.

Outdoor Bike Ride - Participants 12 years old and up meet at the club or local park and embark on a 20-mile bike ride through a wooded area. Helmets are required. A picnic lunch is provided afterwards. Raffle tickets for a mountain bike (donated or purchased) are sold for several weeks prior to the program; this builds excitement for the event and helps to advertise it. Other small prizes are included in the drawing, all donated by local businesses. Participants receive a cool event t-shirt or water bottle.

Fee: \$15.00 to cover costs.

Dog Walk at the Club (my personal favorite!) - This fun event brings people who like dogs together for a 1-, 2- or 3-mile walk. Members receive an event t-shirt and doggie goody bag containing samples of dog food, treats, discount coupons for grooming, obedience training and veterinary check-ups, information from animal shelters and more treats. Prizes are awarded for the pet that looks most like his owner, best dressed pet, most talented pet, most likely to need training and most unusual breed. Prizes consist of free grooming, free check-ups at the veterinarian and a large platter of dog treats. All prizes and bag stuffers are donated. The local animal shelter provides a puppy

petting area. The Greyhound Rescue League sets up a table of information and brings several greyhounds. Local Frisbee dog teams and Flyball dog relay teams are happy to come out and demonstrate their sport. The event is held on club grounds or at a nearby park. Market with posters, flyers, event t-shirts worn by staff and a rented Big Dog costume worn by staff inside the club three days before the event. Fee: \$10.00 to cover costs.

“Get Fit For Gardening” - This 4-week program for the weekend gardener includes:

- Eight “Garden Circuit” workout sessions - Unique gardening-specific group workout that you create, offered two times a week with a fitness trainer.
 - Weekly lectures - Delivered by garden experts at a local garden center at no cost to you. Topics will focus on specific gardening information.
 - Fitness Assessment - Two assessments conducted at the beginning and end of the program.
- Fee: \$99.00 for members/\$129.00 for non-members to cover costs and provide a profit.



Laurie Cingle

*Before offering any outdoor program, contact your insurance company, as additional insurance may need to be purchased. Always have attendees sign a waiver prior to participating.

(Laurie Cingle, M.Ed., is a fitness business success coach, club consultant and a member of the Leadership Team at Akron General LifeStyles. You can reach Laurie at laurie@lauriecingle.com)

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Thanks and Appreciation

At CLUB INSIDER, we are excited to be celebrating our 21st 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 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 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.

3 million Xbox One consoles sold.
1 million Xbox Fitness users discovering MOSSA.
1 thousand happy health clubs running 4,000 MOSSA programs.



For over 25 years BTS (Body Training Systems) has been delivering innovative and popular products and group fitness programs for health clubs around the world. Xbox One has recognized our commitment to engaging club members and creating an exciting atmosphere that gets people moving and, more importantly, gets results. Xbox One wants the same things for its new Xbox Fitness. We have welcomed Xbox One's desire to get people healthy and fit, whether it's in the comfort of their own home or in our customers' gyms.

BTS, through Xbox Fitness, is proud to launch MOSSA. Call it a hipper, cooler, more relevant name than Body Training Systems, but MOSSA still comes with your longtime friends, our dedicated team, and our never-ending commitment to giving you the best group fitness programs on the planet!

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Secrets Everyone Should Know About ALS!

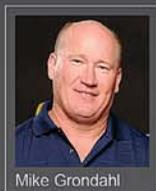
- Every 90 minutes, someone is diagnosed with ALS in the United States;
- The incidence rate is nearly identical to Multiple Sclerosis (MS);
- However, unlike MS, there are no effective treatments for ALS;
- Funding for ALS therapy development is urgently needed to move promising research forward.

Augie Nieto, the bravest man in the fitness industry, after eight years of not being able to move his arms, legs or breath on his own, is winning! His legs and arms are moving!

For anyone who has made \$1 in the fitness industry, we owe Augie Nieto, the trailblazer. Without men like him, we would not have an industry such as ours in which to thrive.

Augie brought the Life Fitness Company to the world!

All cardio grew from there.



Mike Grondahl

I know a little bit about today's industry, where 80% of usage comes from treadmills, bikes, ellipticals and arc trainers. Where I used to work just hit 5 million members and 700 units. Everyone in the fitness industry, from independents to chains and manufacturers, needs to show financial support.



YOU HAVE TO GIVE TO GET AND WHAT BETTER CAUSE!

THE GOAL

I asked Augie, "What is the most ever raised for ALS?"

He said, "\$6,000,000."

Then what should our goal be Augie? Knowing the answer any champion would give, he goes with, "\$6,000,001."

By March 14, 2015, we will raise \$6,000,001!



www.augiesquest.org