

Norm Cates'
CLUB INSIDERTM
The "Pulse" of the Health, Racquet, and Sports Club Industry Worldwide
Established 1993



Julie Main

Devoted Wife, Mother and Leader
1956 - 2009

MAY 2009

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The "Pulse" of the Health, Racquet, and Sports Club Industry Worldwide

Established 1993

Julie Main

Devoted Wife, Mother and Leader 1956 - 2009

By: Norm Cates

The health, racquet and sports club industry worldwide was saddened to learn that Julie Main, one of our industry's brightest stars, passed away on May 4th, 2009.

Julie was 53 years old when she left this earth. Her husband, Michael, and daughters, Sarah and Alison, as well as all of us in this industry who knew her, will miss her greatly. She was put to rest at Temple B'Nai Brith, Santa Monica, California on Friday, May 8th at 10 AM.

Julie spent the last 17 years of her amazing life fighting cancer, but unless she,

or someone else, told you, you wouldn't know she was suffering. She was that brave. She was the most determined person you will ever meet. Her influence on this earth will not go away because we will all keep the memory of Julie Main alive because she's been such an inspiration to all of us. Julie has amazed all of us with her skills as a leader, her dedication to our industry and the hard fight she fought for life. She just would not give up, God bless her soul. Julie brought love and a very special inspiration to everyone she encountered, and all of us who knew her have been blessed to have had her in our lives. As we remember the

life of Julie Main, a woman who has made a huge difference in our world, we will remember her guts and determination as she continued on with a productive life right until the end, despite her 17-year fight with cancer. Julie's story will live on because she truly made a difference, and she has impacted so many lives in so many positive ways since she was first diagnosed in 1993 with breast cancer. Julie just never gave up.

Julie started in the club business 25 years ago as a bookkeeper. She parlayed her bookkeeping job at the Santa Barbara Athletic Club into a role as General Manager and



John McCarthy & Julie Main at D.C. Summit

Fitness Industry Leaders Across the Nation Gather on Capitol Hill to Campaign for a Healthier America

BOSTON, MA - May 6, 2009 - The International Health, Racquet & Sportsclub Association (IHRSA) and fitness professionals across the nation gathered today in Washington, DC to meet with their Congressional members, asking for their support of health promotion legislation to remove federal barriers from exercise and

to reward Americans for choosing to lead healthy lifestyles. During the 7th Annual IHRSA Summit for a Healthier America, fitness advocates will encourage the passage of the Personal Health Investment Today (PHIT) Act (H.R.2105) and The Workforce Health Improvement Program (WHIP) Act (H.R. 2106), both

recently reintroduced in Congress. "We are gathered in our nation's Capitol to urge our Congressional leaders to integrate exercise as preventive medicine into the health care reform legislation our country so desperately needs," said Joe Moore, IHRSA President and CEO. "Passage of the PHIT

and WHIP Acts will play a critical role in reversing our current system of 'sick care' into 'health care' and will empower Americans to take control of their health. The time is now for every fitness professional to share their story with their Congressional members and ask for their backing of this legislation."

The Personal Health Investment Today (PHIT) Act (H.R.2105), reintroduced in the House of Representatives on April 27, 2009, creates a financial incentive for Americans to engage in physical activity and exercise. The PHIT Act would allow Americans to utilize up to

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Norm's Notes

•Hello everybody, this is your **CLUB INSIDER Publisher and Tribal Leader Since 1993** checking in with a very saddened heart! I'm sad because we've lost our friend, **JULIE MAIN**. She passed away on May 4th after a 17-year battle with two forms of cancer. I want to extend our most sincere condolences to Julie's husband, **MICHAEL** and her daughters, **SARAH** and **ALISON** for their loss. Our industry is very lucky to have had Julie Main be a part of it. It can be said that Julie truly made a difference and will be remembered for her guts as she fought not one, but two forms of cancer for 17 years. May Julie rest in peace, and may God bless her family.

•I am sad and want to extend my condolences to my **Dad, NORM CATES, SR.**, for the loss of his wife of 17 years, **LOUISE** on April 28th. And, my condolences go to her sons, **WILLIAM GLENN** and **RICHARD ALLISON BEAVERS** and their families. Louise became a great companion for Dad after we lost my **Mom**, his first wife, **LEOTA**, on June 27, 1991. My Dad and Louise spent their married years together living into their 80's and 90's as Louise celebrated her 90th birthday on November 26, 2008. Louise will be missed by all of us. May **LOUISE CATES** rest in peace, and may God bless my Dad, William Glenn and Richard

Allison and all of their family.

•Is America a great country or what?

•**Crunch Fitness** has filed for bankruptcy and **Angelo, Gordon and Company** and **New Evolution Fitness Company (NEFC)**, **MARK MASTROV'S** new company, seek to take over. NEFC was founded by Mastrov and **JIM ROWLEY**. This makes two club organizations that Mastrov, who sold **24 Hour Fitness** to **Forstmann/Little** for \$1.6 billion a few years ago, has recently gotten his new company involved with. The other is the **Ultimate Fighting Championship Gyms** now under development with **DANA WHITE'S Ultimate Fighting Championships** organization.

•**VICTOR** and **LYNNE BRICK** and **Planet Fitness Corporate** have been sued by a Baltimore, Maryland businesswoman for \$130 million! According to a Press Release mailed to my office, the complaint was filed in **Circuit Court for Howard County** by attorneys for **DIANA HAMILTON DUTT** (and related parties). Planet Fitness commented, "We believe there is no merit to the case, and are confident that the courts will see it that way."

•**MICHAEL GEREND** has

left **LifeTime Fitness** effective May 1, 2009. **LifeTime Fitness Founder** and **CEO, BAHRAHM AKRADI** commented, "During his tenure, Mike played an instrumental role in building and expanding the strong leadership team we now have in place, and in turn, the growth and performance we have achieved. As he makes his transition from the company, I want to thank Mike for his six years of dedicated service and many contributions. Moving forward, the current executive team will assume the responsibilities he formerly held."

•My son, **JUSTIN** and I, look forward to seeing you at the **Club Industry East Show in Boston, May 27-30th!** Check out our **Advertiser List on This Page** for their exhibit number and stop by for a visit, and please be sure to tell them **CLUB INSIDER** sent you!

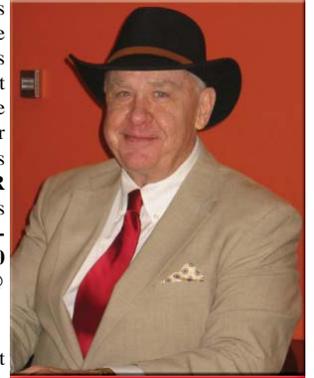
•My friend, **MIKE CHAET, Ph.D.**, the head of **CMS Global Consulting** has teamed up with **STEPHEN C. LUNDIN, Ph.D.** to write a new book called **Loops... the Seven Keys of Small Business Success**. Why do some small businesses succeed while others fail? What are loops? Loops are the essential keys to success in any small business. They are the relationships you build, the services you perform and the products you deliver.

If you want to thrive in today's economy, you need to close all the loops. Steve Lundin is a former Keynote Speaker at **IHRSA** and the co-author of the amazing book **Fish!** and author of **Cats**. To order copies of **Loops** (10 or more), contact **PETER HANJIAN**, Special Sales Account Manager at **McGraw-Hill** by phone at (212) 904 - 5920 or email at **peter_hanjian@mcgraw-hill.com**.

•I'm pleased to announce that **DEREK BARTON**, branding, marketing and customer service guru, has joined the **CLUB INSIDER** Contributing Author Team. **STAY TUNED!**

•My friend, **GAIL deLEEDE**, the **President of ActiveXL**, has announced that **ADAM PARKER** has joined her company as a **Major Accounts Representative**. This brings to mind one more time the subject of branding. In the branding world, you won't find a better company to acquire branded products such as water bottles, caps, etc. from.

•**Exercise is Medicine** is a national initiative led by the **American College of Sports Medicine**. The campaign aims to raise awareness of the preventive and healing powers of exercise. The initiative also calls on physicians and other health professionals to consistently promote exercise to their patients. **IHRSA** is proud to be an official *Supporting Organization* of **Exercise is Medicine**. As such, **IHRSA** encourages you to get involved and let your members know that **May is Exercise is Medicine Month**. Promoting **Exercise is Medicine Month** is an opportunity for you to show



Norm Cates

your members how much you care about their health. It's also a chance to remind them that their gym membership is not a luxury; it's a necessity for their health! **Exercise is Medicine** offers materials specially designed for health and fitness professionals just like you. They contain information that you can share with your members, prospective members and your community. Please visit the **Exercise is Medicine** website at **www.exerciseismedicine.com** to learn more about the initiative. You can also download official **Exercise is Medicine** materials, including a fact sheet and toolkits from their site.

•**Three million** fitness balls have been recalled by **EB Brands** due to a fall hazard. New assembly procedures have been provided. The **U.S. Consumer Product Safety Commission**, in cooperation with **Bally Total Fitness, Everlast, Valeo** and **Body Fit Fitness Balls**, manufactured by EB Brands of Yonkers, New York recalled the 3 million balls because of the hazard where an overinflated
 (See Norm's Notes Page 8)

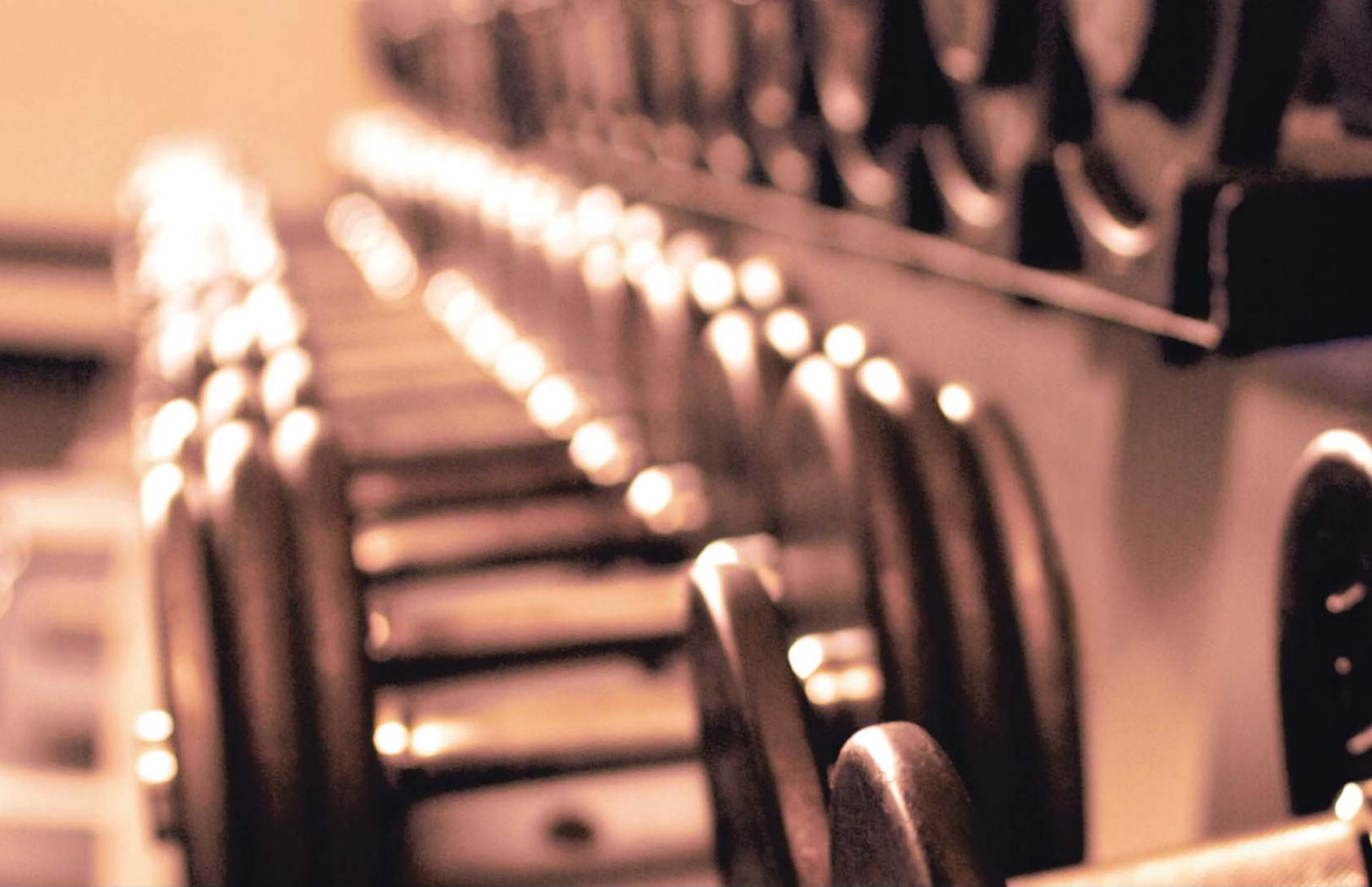
Thank You!

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...Julie Main

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part-owner with partner, Jim Knell, of five clubs now operating under the banner West Coast Athletic Clubs (WCAC). WCAC includes the Santa Barbara Athletic Club, Ojai Valley Athletic Club, Cathedral Oaks Athletic Club, Avila Bay Athletic Club and Spa and the Hills Swim and Tennis Club.

Julie made a difference in the lives of many people in her Santa Barbara community, and she made a difference in our industry as an IHRSA Board Leader, President and Ex-Officio President of the Association. She was IHRSA's 2nd female President. Amazingly, Julie applied for the IHRSA Board of Directors position four times before she was elected. Julie just never gave up. She was also honored by IHRSA with its 1998 President's Award, and later, with the Dale S. Dibble Distinguished Service Award. Julie was a past President of the California Clubs of Distinction (the IHRSA regional group) and served on the Board of Directors for the Cancer Foundation of Santa Barbara.

Julie also made a huge difference in the lives of many with cancer as the founder, with her partner Paula Lilly, of The Cancer WELL-Fit Program in 1994. The Cancer WELL-Fit Program mission is to inform



Rick Caro

health instructors and health care professionals about how to facilitate what may be one of the most powerful tools in the healing process for cancer --exercise. Since the beginning, the Cancer WELL-Fit program has helped over 1,000 people live better lives while battling cancer. The Cancer WELL-Fit Program is a wonderful step in the evolution of health promotion in the U.S. If there was ever a program that improved health, created a link between medicine and fitness and promoted a much-needed community effort, this program addresses those needs. The program helps people stricken with cancer live better quality lives through exercise while fighting the disease, and the program will continue to live on with the spirit of Julie Main. The involvement of your club in

the Cancer WELL-Fit Program is easy, and I'm sure you will be glad you became involved. Send an email to info@cancerwellfit.com or call **Paula Lilly** at **805-966-6147 Ext. 262** for information. You can also visit www.cancerwellfit.com.

The Julie Main Emerging Woman Leader Scholarship was created this year by IHRSA in Julie's name, and the first award was presented to Karen Jashinsky, Founder and CEO of O2 Max Fitness in Santa Barbara, California. Julie was not able to attend because of her illness. From now on, the industry will remember Julie every year through this annual honor.

Julie Main was laid to rest in Santa Barbara on May 8th, and hundreds of people will gather in Santa Barbara next month to celebrate Julie's life. Included in that gathering will be three people who've spent a great deal of time working with Julie and getting to know her. They each commented on Julie Main:

John McCarthy, IHRSA's highly



Joe Moore

esteemed and former 25-year Executive Director with whom she had closely worked for years as an IHRSA Board Member, President and Ex-Officio President said, "Like so many others, I was privileged to know her, work with her and have fun times with her. Thinking of her, so many words come to mind; warm, balanced, inclusive, thoughtful, careful, persistent, perceptive... On and on, the list could go. She was a joy to be with. God bless her, her husband, Michael, and her two beautiful daughters.

Rick Caro, President of Management Vision in New York City and a longtime friend and business associate of Julie's on the Faust Roundtable #1 commented, "She fought a long, hard battle. In fact, she was still planning to come to NYC in a month for a Roundtable

meeting. Her optimism was unmatched. Her legacy is huge. She was a role model for all of us. She exemplified courage in all facets, and we will miss her."

Joe Moore, former IHRSA Board Chairman and now President/CEO of IHRSA, like John McCarthy, spent many years working with Julie. Joe said of Julie, "Julie's contributions to IHRSA and the industry she loved were boundless. She was THE board member, Board Chair and ex-officio that all others looked up to for her wisdom and spirit. She always thought about what she could do for the industry, without regard for personal gain. Her extraordinary life is an inspiration. It's a sad time for us all."

May Julie Main rest in peace, and may God bless her family.

(Norm Cates, Jr. is a 35-year veteran of the health, racquet and sportsclub industry. Cates was the Founder and is now in his 16th year as the Publisher of CLUB INSIDER. He was IHRSA's 1st President, and a Co-founder of the Association with Rick Caro and five others, in 1981. In March, 2001, IHRSA honored Cates with its DALE S. DIBBLE Distinguished Service Award, one of IHRSA's highest honors. Cates may be reached by phone at: 770-850-8506 or email at: Norm@clubinsideronline.com)

...IHRSA in D.C.

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\$1,000 annually, or \$2,000 for a joint filing, from pretax health spending accounts (such as FSAs) to make expenditures related to organized, individual, and team sports; fitness and exercise; recreation and other physical activities. The PHIT Act would provide Americans with a tax incentive to invest in preventative health care before costly treatment is necessary, with the potential to save 20-30% annually on fitness-related costs.

The Workforce Health Improvement Program (WHIP) Act (H.R. 2106), reintroduced in the House of Representatives on April 27, 2009, promotes wellness in the workforce by balancing current law and allowing for offsite fitness center memberships as a tax-free benefit for employees. Current law allows employees to use onsite fitness facilities free of any tax implications, but when a business

needs to outsource this health benefit, employees who receive offsite fitness center subsidies are required to pay income tax on the benefits, with their employers bearing the associated administrative costs of complying with IRS rules. The WHIP Act eliminates this tax on offsite fitness center subsidies, making it easier for all employers to offer important exercise incentives for their workers.

"Until America embraces prevention, no health care reform efforts can be meaningfully effective," says Joe Moore. "By enacting legislation that removes the financial barriers to exercise and healthy living, Congress can help mobilize America to embrace prevention. We need legislation that supports physical activity and other preventive lifestyle choices now, as Congress tackles health care reform. The PHIT and WHIP bills are just the kind of legislation we need to affect societal changes toward a healthier America and to put

the 'health' back in health care."

IHRSA's 7th Annual Summit for a Healthier America was sponsored this year by the American Council on Exercise (ACE), CYBEX and SPRI.

The Campaign for a Healthier America is IHRSA's newest national grassroots project bringing together exercise enthusiasts to make healthy lifestyles a priority for all Americans. The Campaign seeks to bring the fitness industry together with government, employers, medical and public health professionals, insurance providers, schools and each of us individually. IHRSA believes the government should support healthy lifestyle choices. Be a part of the Campaign's Virtual March on Washington and tell President Obama and Congress to support the passage of the Personal Health Investment Today (PHIT) Act and The Workforce Health Improvement Program (WHIP) Act to make exercise accessible for more Americans. Write an

email, send a video and share your

story at www.campaign4health.org.



IHRSA D.C. Summit - May 6 - 7, 2009

Every New Member Is Valuable!!!

By: Ray Gordon

Let me tell you a story... Supposedly, Henry Ford, when he went on the first inspection tour of his new Ford dealerships saw the big blue Ford oval mounted on a sign which read Ford Sales and Service. He turned to his General Manager and said, "I want you to change that sign. I want it to read Ford Service and Sales. If we take care of the customers, they'll buy another car from us and tell their friends." This epitomizes the basic philosophy we should have in our industry. We all know that 65-70% of our new members come from existing members, and now, we're realizing that if we can keep them coming back to buy again (if they are given a buying choice every month), we'll make more money.

The buzzword this year is Retention, improving the length of time that your existing members remain a member.

Everybody's talking about it, yet many are confused by exactly what the difference is between retention and attrition. They claim to have a 60% retention rate, and they think that means that their attrition rate is 40% --which they may think is good. This is not the case because they're not actually tracking their retention ratios. There are actually two different formulas, and these ratios can actually change from month to month and should be calculated monthly to determine if you're winning the battle. Please be advised, you'll never win the war; you'll just win more battles, and yes, this can mean big differences in your bottom line.

Retention is the percentage of members that you keep. The way to calculate your retention rate is: Take the total number of members you sold in January 2008 and see how many are still paying you money in February 2009. This will result in

a percentage. You then need to do this exercise for every month in the year. Average your monthly percentages and this will give you your annual retention rate. You then need to do this every month, using the most current twelve months. This will give you a *rolling* retention rate and give you the ability to look at monthly improvement (or at least goals) and give you a sound evaluation process. Now, when someone asks you your retention rate, you'll be giving an accurate answer. Again, this does not mean your attrition rate is the difference.

Attrition is the percentage of members you lose. To calculate the attrition rate, take the number of members you lose in a month and divide by the total number of members you had at the beginning of that month. Example: You lose 60 members and had 2,000. Divide 60 by 2,000. This equals 3%. Add twelve months together, and

you'll have your annual attrition rate. Again, you need to calculate this every month to create a rolling attrition rate. Simply replace the oldest month with the newest.

There are other variables to consider:

- If a member transfers his membership, is that a cancellation or a new member?
- If a member freezes his membership, is that a cancellation?
- If a member gets pregnant and leaves, then comes back, how do you calculate this?
- What about if they get sick? Or, a job transfer?

All in all, it really doesn't matter, as long as you're consistent with your calculations.

In the 30+ years that I have been working in this industry, I've had the benefit of working with some of the finest clubs and operators in the industry.



Ray Gordon

They have all understood the importance of involving members within the club. The Sales Makers System involves using the best staff you've got to retain members --your Membership staff. Our Philosophy is: **Retention Begins the Day They Join!**

When I first started working in this industry, 70% of (See Ray Gordon Page 8)

Club Owners and General Managers

Current economic conditions and excessive competition have many independent health clubs performing below expectations. Upscale quality clubs with monthly dues ranging from \$40 - \$70 seem to be struggling the most. I have been very successful in achieving membership sales goals in these types of clubs for over 30 years. More importantly, during the last 6 months, even with a toughening economy as membership sales have fallen off sharply. Sales Makers will provide proven solutions you can apply immediately to get results. This requires new creative campaigns and lead generating programs along with some positive training, and a staff willing to work efficiently to make more money. Let Sales Makers help your club achieve your clubs necessary membership sales goals in 2009.

IHRSA
Wall of Fame
Winner


Sales Makers
 "Membership Specialists Since 1979"

Ray Gordon
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...Norm's Notes

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fitness ball can unexpectedly burst while in use, causing the user to fall to the floor. EB Brands has received 47 reports of fitness balls unexpectedly bursting, including reports of a fracture and multiple bruises. Manufacturers announced a voluntary recall of the following consumer products. The balls were sold at department stores and fitness retailers nationwide from May 2000 to February 2009 for between \$15 and \$30. Consumers should contact EB Brands to receive a copy of the updated instructions on how to safely inflate the ball. For information, call (800) 624-5671 or visit www.ebbrands.com.

•**The National Academy of Sports Medicine (NASM)** has developed best practices and tailored workout programs catering specifically to a pregnant woman's changing body. Leading health experts agree that it is not only safe for pregnant women to continue exercising, but extremely beneficial to help their bodies handle the physical strains of having a baby. However, as a result of the dramatic changes a woman's body goes through during pregnancy, adjustments must be made to typical fitness routines.

•**Joint Stability** - An increase in

the hormone relaxin causes joints to become less stable. Weight bearing exercises should be altered to avoid potential injury from joint failure.

•**Increased Heart Output** - The heart must work harder to deliver oxygen to added body mass and will increase its rate 10-15 beats per minute. Heart and breathing rates should be monitored to avoid excessive strain on the heart.

•**Increased Body Mass** - Due to added body mass, excess strain can be placed on muscles and joints during weight-bearing exercises. Low-impact activities should be used during later stages of the pregnancy. Contact NASM for more information at www.nasm.org/contact.aspx.

•Check out **THOMAS PLUMMER's May 4th Blog Post on Page #16**. This writing by Plummer provides commentary about his view of the need to remake the health and fitness club industry.

•**Hey!** I apologize because I'm traveling around in a gas guzzler vessel! (Vessel = my body, the transporter of my soul). Check out this report from **Reuters: "Fat People Detrimental to the Planet."**

LONDON (Reuters) - Overweight people eat more than thin people and are more likely to travel by car, making excess

body weight doubly bad for the environment, according to a study from the London School of Hygiene & Tropical Medicine. "When it comes to food consumption, moving about in a heavy body is like driving around in a gas guzzler," and food production is a major source of greenhouse gases, researchers Phil Edwards and Ian Roberts wrote in their study, published in the International Journal of Epidemiology. They estimated that each fat person is responsible for about one ton of carbon dioxide emissions a year more on average than each thin person.

•**United Airlines** has announced it may charge obese fliers more. Obese passengers may be charged for a second seat or a class upgrade if attendants can't find them two open seats, according to the **Chicago Tribune**. I'm glad I can fit into these narrow seats on today's jets and buckle my seat belt!

•I reported the two items above to bring attention to and lead into this question about something you may never discuss with your staff. Here's the question, "Do you and your staff have a 'bias' against obese people that perhaps you try to hide?" For those of you who have regular staff meetings, I would urge you to discuss this question at your next meeting. You might find out something

that could help your business. You might find out that you could have a bias that you've actually not hidden so well and you've infected your staff with, and they, in turn, may be making all of the obese people who get up the guts and nerve to venture into your club feel uncomfortable. If this bias somehow does exist in your club business, it might well be costing you money.

•**Silver Sneakers Alert!** Read this note to avoid losing money! Over the years, I've heard nothing but good things about the Silver Sneakers program, but one thing I've not heard before is this story. The following emailed memo is reprinted verbatim from one of our readers (actually a subscriber that has been with **CLUB INSIDER** since issue one 16 1/2 years ago). This person is a savvy operator, but I am not going to disclose his identity. I am, however, going to share his message as an alert for you. Here is his memo:

"Norm and Justin, thanks for the feedback. I had not responded while I was working on solving the situation. At this time, we have elected to stay with the program through the end of 2009. Our situation occurred because we have an older than average demographic. Many of them are now entering the mature ages and eligible for the Silver Sneakers program. The damage came when

Silver Sneakers struck deals with some of the major insurance providers in our area and marketed it through AARP. In the last year or so, we have had about 150 of our members cancel their club membership and rejoin under Silver Sneakers. Financially, that meant we went from collecting an average of \$60 per month to \$3 per visit. As you would be well aware, the industry learned that structure doesn't work back in the racquetball court club days. **This took about \$8,000 per month from our cash flow.** The typical Silver Sneakers agreement does not provide for existing members who elect to cancel and rejoin under it; however, any club that is already successful in attracting the mature population and has a mid-market price point should be very cautious. I'll update you at the end of the year. Thanks for being there for us."

--A long-time subscriber.

•There's a survey going around spewing some very negative information about our industry and **predicting there could be 4,500 to 8,000 clubs closing during this recession.** Well, I want you to know some information about the *source of that survey* because that will help you measure the validity of its results. The very same party that produced this recent survey once called me to say that he
 (See *Norm's Notes Page 10*)

...Ray Gordon

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the new members had not been a member of another club within the previous year. Recent statistics show that 65% of the new members had been a member of another club previously. We're recycling the same members.

When you're selling a new member, you are asking him to change their habits. They're in the habit of not exercising, and yet, we sell them that they'll get all these amazing results if they train. Then, we turn them over to the fitness staff who spends an hour (or three) with them teaching them how to use the equipment, and we leave them on their own and wonder why they don't stay with us. As far as the salespeople are concerned, they've done their job and earned their commission. A professional membership services team (our title for the sales team) will implement a regular process to involve the

new member within the club, using the Internet, the telephone and personal contacts within the club to help them succeed within the crucial first 45 days. Research has proven that the more times a member uses the club in the first month, the longer they will stay. Our membership advisors call at least twice in the first month promoting usage.

This promote-a-call is not a motivational call or a retention call, it's a call to promote something within the club --an activity. Then, they are supposed to call the member once a month, forever! This is part of their *obligation* --retain whom they've sold and promote different activities in the club monthly. It is also an attempt to generate new referrals monthly. This is how you get them to do it. Show them that the best form of prospecting is the member whom they've already sold. Establish a rapport and keep it going. A *satisfied member will refer three*

new members, while a dissatisfied member will keep ten away! These calls are normally no longer than three to five minutes each, and they're required to make a minimum of 25 each day. Let's see, I'm asking them to work 25 x 5 minutes = approximately 2 hours. *Do your salespeople have a spare two hours a day?* If you don't have dedicated salespeople, then you can certainly use other staff to make regular promote-a-calls to your members.

How do you eat an elephant? One bite at a time! How do you retain more members? One at a time!

(Ray Gordon is the Founder of Sales Makers, a company that was honored by IHRSA as its Associate Member of the Year and honored with the Associate Member Wall of Fame designation. Ray may be reached by email at rayg@salesmakers.info)



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...Norm's Notes

continued from page 8

didn't believe the total number of health and fitness facilities in America to be 26,000, as IHRSA had once announced. He told me, "I'm going to take some time off and do a study of my own to see if these numbers are right." I thought to myself, this should be interesting... Less than two weeks after that call, this same party informed me that his study was complete and that his total number of facilities was different than IHRSA's (By the way, IHRSA's results were produced by Infosys™). So, this party would have had me (and you) believe that in just two weeks he, a total novice at such studies, had done all the work necessary to determine how many operational

health clubs there were in the United States. This fellow then started using his number in all he did after that. So, my point here folks is that the results of this so called, "**Largest Survey in the Industry**" could well be suspect and could lack any validity whatsoever. It is clear that the study was not created and implemented by a professional market research company, and without a representative sample, any conclusion that could be made from it is suspicious. At best, I would take it with a large grain of salt, and I would keep working hard to keep my club viable, rather than being negatively influenced.

•Now for a survey that most likely has some validity. In a survey released by **Rodale Inc.**,

the publisher of **Men's Health** and **Runner's World Magazines**, 84% of those polled said there is no better time than now to invest in their health. "Your health club membership, your cable TV and your cell phone are in the last third of things that you're going to cut off in a tough economy," said **ANTHONY GIKAS**, a leisure analyst at **Piper Jaffray & Co.** in Minneapolis. "With the unemployment rate at its highest level in 25 years, consumers are taking fewer vacations and business trips and spending less on entertainment, all of which contributes to more trips to the gym," he said. Folks, I share this report with you because I want to remind you that training your staff to smile and give a big "Good morning!" or "Good afternoon!" or "Good evening!" will go a long way to making your club an "oasis" in the lives of your members. That "Third Place" away from work and home... a place that's often more perfect and can make your members feel better. Just "**Make It Fun!**" for your members and their guests, and you will keep more and more of them coming, and they will bring more of their friends to join. Those smiles are huge assets! Speaking of "**Making it Fun,**" check out **SANDY COFFMAN's** comments on the subject in her **Programming Tip of the Month** that appears on **Page #26**.

•It is great that IHRSA was

back in Washington May 6th and 7th for **IHRSA's Summit for a Healthier America** (See **Page #3**), and it's great that both the **WHIP Act (Workforce Health Improvement Program - H.R. 2106/ S. 913)** and **Personal Health Investment Today (PHIT) Act (H.R. 2105)** were reintroduced in Congress. **Senator JOHN CORNYN** (R-Texas), speaking eloquently to his colleagues in the Senate on the importance of physical activity, said, "Public health experts unanimously agree that people who maintain active and healthy lifestyles dramatically reduce their risk of contracting chronic diseases, and as the government works to reign in the high cost of health care, it is worth talking about what we all can do to help ourselves. Prevention is key, and exercise is a primary component in the prevention of many adverse health conditions that can arise over one's lifetime. A physically fit population helps to decrease health care costs, reduce governmental spending, reduce illnesses and improve worker productivity."

"This is a very exciting time for the industry," said **HELEN DURKIN**, **IHRSA's Executive Vice President of Global Public Policy**. "Congress is beginning to understand the critical importance of policies that would encourage physical activity. At the same time, though, they need to hear from constituents. They need to

know that voters are paying attention. Anyone who is passionate about fitness should not hesitate to contact their legislators and urge them to pass these important bills." She's talking to you club owners out there, and whether you're an IHRSA Member Club or not, you should contact your Congressman and Senators and urge them to pass these two bills. Someday, our industry is going to measure time as, **Pre-WHIP/PHIT** and **Post-WHIP/PHIT**, and **YOU CAN** help make this happen. For more information, call **IHRSA** at **(800) 228 - 4772** or visit www.ihrsa.org.

•Due to the passing of **JULIE MAIN**, the article entitled "**IHRSA, A House Divided,**" planned for this month, has been postponed.

•**God Bless America! God Bless You, Your Family and Your Club(s)! And, very importantly, God Bless our troops, airmen and sailors fighting for us "over there!"**

(Norm Cates, Jr. is a 35-year veteran of the health, racquet and sportsclub industry. Cates was the Founder and is now in his 16th year as the Publisher of CLUB INSIDER. He was IHRSA's 1st President, and a Co-founder of the Association with Rick Caro and five others, in 1981. Cates may be reached by phone at: 770-850-8506 or email at: Norm@clubinsideronline.com)



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The 10 Commandments of Cancer Prevention

About one of every three Americans will face some form of cancer during his or her lifetime. You can help beat these grim statistics by taking steps to protect yourself right now. In fact, up to 75% of cancer deaths in the United States can be prevented, reports the April, 2009 issue of *Harvard Men's Health Watch*. Here are 10 ways to get started:

1. Avoid tobacco in all its forms, including exposure to secondhand smoke.

2. Eat right. Reduce your consumption of saturated fat and red meat. Limit your intake of charbroiled foods, and avoid deep-fried foods. Eat more fruits, vegetables, and whole grains. And, don't forget to eat fish two to three times a week.

3. Exercise regularly. Physical activity has been linked to a reduced risk of colon, prostate,

breast, and reproductive cancers.

4. Stay lean. Obesity increases the risk of many forms of cancer. Calories count --if you need to slim down, take in fewer calories and burn more with exercise.

5. Limit alcohol consumption. Excess alcohol increases the risk of cancers of the mouth, larynx, esophagus, liver, and colon; it also increases a woman's risk of breast cancer. If you choose to drink alcohol, the limit should be one to two drinks a day for men, no more than one a day for women.

6. Avoid unnecessary exposure to radiation. Wear sunscreen to protect yourself from ultraviolet radiation. Get medical imaging studies only when you need them. Check your home for radon.

7. Avoid exposure to

industrial and environmental toxins such as asbestos, benzene, aromatic amines, and polychlorinated biphenyls (PCBs).

8. Avoid infections that contribute to cancer, including hepatitis, HIV, and the human papillomavirus (HPV).

9. Consider taking low-dose aspirin. Men who take aspirin or other non-steroidal anti-inflammatory drugs may have a lower risk of colon and prostate cancers.

10. Get enough vitamin D. Taking 800 to 1,000 international units (IU) daily may help reduce the risk of prostate and colon cancers.

(Harvard Men's Health Watch is available from Harvard Health Publications, publishing division of Harvard Medical School, www.health.harvard.edu/men)

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Getting an Appointment With the Appointment-Resistant Caller

By: Karen Woodard-Chavez

Most clubs are reporting that the new membership inquiries for both phone and those who walk into the club are down. When we do get a call or someone who walks in, we want to maximize the return on the dollars that created that inquiry. This short article will give you some distinctive tips on how to maximize appointment setting and show ratios on every phone call even with the appointment-resistant caller.

The typical scenario is that a caller "would like some

information." My experience from calling and shopping the sales staff of many clubs is that most (not all) are way too willing to offer price information right off the bat without the caller even asking for it. We offer too many features, and then, we ask the caller to come in for a tour. This is the motis operandi of the underperforming sales person. If the caller just wants to stop by, we are stuck, and we often respond by saying two woefully unproductive things: 1) "I am here from 2 - 10. Please stop by and my name is _____ or 2) "Let me leave a guest pass for

you at the front desk." Neither of these options allows you to maintain your influence in the sales process nor do they create any sense of obligation on the part of the caller.

Instead, change the scenario. Maintain your influence, and be the leader in the conversation with the outcome of getting what you want and the caller getting what they want. Here is how to change the direction of the call:

1. When the caller asks for information, acknowledge that you would be happy to answer their questions and ask what specifically they would like to know about.

2. Ask them what activities they will be doing in the club. As they answer, listen and write notes. If they say they would like to take a group cycling class, acknowledge that we have an excellent group cycling program and what time of day works best for them to take a class. Find out what other interests they have in the club and if their interest is for them only or if there will be someone else involved in the membership.

3. Never invite the caller in for a "tour." A tour has no value to them and smacks of a sales presentation. Strike the phrase "can you come in for a tour" from your vocabulary and replace it with inviting the caller in for the specific activity(s) that they would be doing as a member.

4. Once you are crystal clear about what they would like to do and when they would like to do it, say the following: "Suzanne, it sounds like you are interested in group cycling and the time that works best in your schedule is right after work. We have a fabulous class at 5:30 this evening. I would like to invite you to be my guest at the class tonight." She will respond by saying, "Yes, that would be great" or she "cannot do it tonight," so you would offer her a class for tomorrow evening. She will respond by saying, "Yes, that would be great," and at that point, you would let her know that you

will reserve a bike for her, meet her in the lobby 15 minutes prior to the class, make sure she is comfortable in the club, introduce her to the instructor and then go over any questions she has after class. At this point, you would gather her contact information, thank her for calling and let her know that you will see her tomorrow evening at 5:15.

5. It is easy when you have someone who is interested in classes to schedule something for him because we have a class schedule that dictates when people come based on the class times. What about the people who are just interested in using either cardio or resistance equipment? That is just as easy if you are willing to be creative and provide some service. Let's say you have a caller who is just interested in treadmills. The way you would schedule an appointment (NOT A TOUR) with them is to say the following: "Suzanne, it sounds like your primary interest is easy access to the treadmills. I would like to invite you to come into the club as my guest, and I would like to arrange 15 minutes for you to meet with one of our trainers to show you how you can minimize your time on the treadmill and maximize your results. I can arrange for a trainer to be available for you at 5:30 tomorrow evening. Shall we schedule that for you?" If you offer that kind of value, your show ratios will increase.

6. What about the appointment-resistant caller who, when you offer to host him as your guest for a class or an appointment with a professional in the club, responds by saying he is too busy and can you just leave a guest pass for him? If your club does not allow a guest who is not with a member, that is easy. If your club does allow guests without being with a member, then we need to create some distinction between a "guest pass" and "being your guest." The simplest way to do that is to respond by saying, "Absolutely, Suzanne, I can arrange for a guest pass for you. Our guest passes are \$20 per day,



Karen Woodard-Chavez

and I can let the desk staff know that you will be coming. Would you like to take care of that now with a credit card?" The caller may balk because he thinks you will be leaving a free guest pass for him. Then, you would respond by saying "Suzanne, for access to the club, you can either be hosted by me as my guest, which is by appointment, or you can purchase a day guest pass for \$20. We are consistent with this as we protect the privilege of the club for our members. I would love to host you as my guest for this class. Shall we go forward with that?"

A few key point reminders for you to increase your results with information calls: Never invite a caller in for a tour; always invite him in as your guest for the specific activity he would be doing in the club as a member. And, never offer to leave a guest pass. Create distinction between being hosted as your guest and purchasing a guest pass. Implement these tools consistently, and you will see an increase in show ratios and new member sales.

(Karen is President of Premium Performance Training in Boulder, Colorado and Ixtapa, Mexico. She has owned and operated clubs since 1985 and now consults with and trains club staff throughout the world. She provides her services onsite, online, by phone and through her books, CDs, DVDs and manuals. She can be contacted at 303-417-0653 or karen@karenwoodard.com)

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The Leadership Factor:

Are You Up to the Challenge?

By: Dr. Edward M. Slover

In light of the current economic reality and the increasingly competitive business environment, all businesses encounter demands for more leadership to make their organizations prosper. While *leadership* is a buzzword bandied about by management scholars and business practitioners, it is the lynchpin that ties an organization's vision and mission to operational effectiveness, and ultimately, the achievement of financial goals. But, don't take my word for it. Data published in the *Journal of Managerial Psychology* ("Key Roles of the Leadership Landscape") from interviews with owners, general managers and fitness managers at high performing commercial health and fitness facilities delineated

that 95% believe that the role of leadership was an integral part of their success as a business. Knowing this, there are a number of specific strategies business leaders within the health club industry can employ to positively, and dramatically, impact your organization's culture in order to yield a significant financial windfall in the process.

The cliché, "perception is reality," is never more appropriate than in leadership circles. The key to understanding this concept is to acknowledge that, as a leader, you are always "on stage." Your staff is always looking for consistency and quickly identifies incongruent messages (verbal & nonverbal). This notion relates to the first strategy you can employ as a leader: *Inspire others through your actions*. Do you hold

yourself to a higher standard? Are you accountable for your work performance? What do you do to develop professionally? Are you practicing what you are preaching? Inspiring others through your actions begins by being consistent, steady, ethical, honest and trustworthy. If you are not achieving your desired outcome related to your team's performance and productivity, taking an honest, critical look in the mirror may be a great place to start.

Fundamentally, people want to be part of a winning team. Effective leaders know that, in order to cultivate a winning team, you have to have talented, skillful players who are willing to go the extra mile and trust that their leader(s) have their best interests in mind. This concept ties to the second strategy you

can, and should, employ as a leader: *The Law of Reciprocity*. Said differently, you will have to give a little to get a little, so give a lot to get a lot. Do not hesitate to communicate that there is nothing you would not do to ensure their success. Invariably, leaders who understand what motivates an employee and what "de-motivates" them, invests time in his professional development and is committed to holding him to a higher standard (accountability) will set the stage for the achievement of desired outcomes. Conversely, if you are a business owner who pays the minimum, fails to take a legitimate interest in your team members, treats workers disrespectfully and grinds your employees to produce more for less, you will perpetuate a negative feedback loop of high employee attrition and subpar



Dr. Edward M. Slover

organizational performance.

From an operational perspective, leaders can add performance measures that evaluate employee performance on quality, customer service, innovation and contribution to profitability or other areas deemed critical to the organization. This corresponds nicely to the third

(See Ed Slover Page 16)

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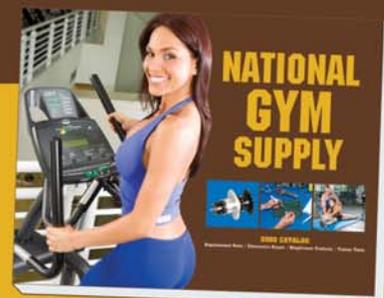
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The Fitness Industry Has Hit Rock Bottom

A Blog Post By Thomas Plummer - May 5, 2009

Publisher's Note: Thomas Plummer continues to produce his excellent **National Fitness Business Alliance Seminars** around the country (See **NFBA Ad** on the **Opposite Page**), and he's added frequent blogs to his website (www.thomasplummercompany.com). The following blog appeared on May 5th and **CLUB INSIDER** thought it might be interesting to you because he makes his case about our industry's need to reinvent itself. **CLUB INSIDER** will follow these blogs in the future. **Stay Tuned!**

Every person who has ever suffered from a drinking problem knows the old adage that there is never change until you hit bottom. Then, and only then, can you admit you have an issue and rebuild your life.

In this industry, we have hit bottom, and we're floundering on the floor like a bunch of wet monkeys in a hot tub. We have found the bottom, and we now have no way to go but up.

How do you define bottom in the fitness business? We, as an industry, track the national membership numbers every year. Then, we bend them until they break, and we still show flat growth. We track new clubs opening, and when the truth finally emerges from this recent alleged recession, we will find that we probably shrunk in total club numbers with the biggest hits occurring in the circuit club

and dinosaur classes (dinosaurs are generic box clubs left over from the 80's that still have the same old business practices and probably the same original equipment, that give us all such a bad name in this industry).

We don't have any exciting new business models, and despite the success of the small training club segment, sports performance centers and the rare chain showing growth, such as Planet Fitness, we seem to be more in a retraction mode than growth mode. We're trapped by 50 years of bad mistakes, and we just can't seem to break into the next generation of fitness that will feed the industry for the coming decade.

I think the revelation for all of us is that this needed breakthrough won't come in the equipment or workout concept segments, but rather, in the industry's maturity in our business practices. This much anticipated awakening, when it comes, will be in our selection and management of the people who work in our clubs. So far, in the history of this industry, we have been horrible in this portion of the business, yet this is where we have to target to get to the next level of growth in members and new clubs.

In the fitness business, we spend most of our time as owners and managers managing the business and very little actual time managing our people. We market, we manage processes

such as receivables, we pick the perfect, yet out-of-date equipment line, and we keep our clubs open for business.

We also spend an inordinate amount of time looking for the next gizmo or class that will drive millions of new members to the club. Perhaps, we are so overwhelmed by infomercials about fitness that we really do believe that there is one class DVD or unique piece of equipment (maybe Tony Little and the Gazelle) that makes millions of people instantly and forever in shape.

The reality is that we have made fitness a horrible experience for the average person. We put them on routines designed for 1970's bodybuilders, we teach them to go around in circles on the same equipment week after week, and we believe that equipment and acreage makes up for horrendous service and young dumbasses working the front counters. Fitness clubs aren't fun, and over the years we have progressed away from being a service and people-driven business to becoming nothing more than a vast floor of equipment that is several decades out of work and was never designed for a functional fitness approach to life.

One of the jaw on the floor moments from our workshops over the years has been the question, "How much time do you spend a week training your staff?" The average fitness

business owner in this country, despite about 60 years of collective experience, only works with his staff for an hour or less a week.

Despite what you hear at a trade show, we are in the experience/service business and not the equipment business. We have, however, become extremely dependent on equipment and other amenities in the club to do the job we are supposed to do, which is to build strong relationships with the people who depend on us to help them change their lives.

Another way to look at it is that we are in the service business dependent on a large number of young people providing service to our most valuable asset, which is represented by the members and their monthly payments. The powerful point to consider here is that the average person working in our club, standing in front of the largest number of customers per week, is trained for that job less than one hour per week.

Compare your staff to a person the same age working at Starbucks. How does your staff handle the customers compared to those employees? Compare your staff to the average multi-star hotel check-in staff. These hotel people, by the way, make about the same money as most club people. How are the hotel people dressed? How are they trained to handle service? How well mannered and well spoken are they as a whole?

Even you reading this, nodding your heads and saying



Thomas Plummer

your staff can hold its own against other service people are suffering from delusions. Having a body at the front counter with a t-shirt tucked in is not staff training, and it is definitely not customer service.

Staff training should be our biggest concern for the week, not something we do after everything else is done. Staffing, relationship building, real customer service, member retention and other industry-defining issues are something we haven't even stumbled upon yet, even by accident or even as practiced by a small number of owners who are trying to create a business that is people dependent and not equipment dependent.

This week, I am once again reading, *The Simple Truth*, by Alex Brennan-Martin. It is a small, but powerful read, that I find myself picking up at least once a year. It is important to help you focus on what is the true focus of your business.

...Ed Slover

continued from page 14

practice you should employ as a leader: *Don't try to please everyone.* Far too often, managers attempt to be friends with their employees and fail to engage in effective business practices, such as goal setting and accountability, performance measurement and on-going professional training and development. Leaders manage performance. To ensure high performing team members, balance "investment time" and "production time" --the former leads to the latter-- and keep everyone focused on business objectives. Do not be afraid to be unpopular or make tough decisions. Be fair and thoughtful

and resolute in the direction you are charting and lead your team of followers where you, and they, want to go. Leaders should always strive to do what is in the best interest of the organization, the employee and the customer.

We live in a time where leadership in business is not a luxury... it is a necessity! Leadership is no longer relegated to football coaches or political figures, and it most certainly, cannot be summed up in short, inspirational quotations. Authentic leaders connect with people on all levels and seek to transform those that follow into something better than they wanted for themselves. It does not come with a title or position in the hierarchy. Leadership is

cultivated and nurtured and must be practiced every day. As we mature as an industry, the practice of leadership will require a profound level of self-awareness to inspire people's lives. This is truly the noblest of pursuits and should not be taken lightly. Are you up to the challenge?

(Dr. Edward M. Slover has 12 years of diversified experience within the commercial health and fitness industry and holds a Doctor of Management in Organizational Leadership. Presently, he works as the Manager of Licensing and Account Management for Apex Fitness, developer of bodybugg® - the World's Most Intelligent Calorie Management System. He may be reached at ed@apexfitness.com)

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How Not to Be a Micro Manager

By: Andrea Sobotka

As a manager of any team or group of people, you got there by possessing certain qualities beyond just technical knowhow. And, as is often the case, some of those very "other" qualities can sabotage your successful management! If you are at the top, or working your way up to the top, it is not enough to be technically talented and personally ambitious; you must develop skills that seem "soft" on the surface, but in reality, can make or break your long-term success as a manager.

Let's put your superior technical knowledge aside for the moment, since it's a given you would not be in or considered for management if you did not know your stuff. What we are going to focus on are some skill sets that, up until now, you may not have had any reason to pay much attention to but you'll need

now more than ever! Because you are ambitious, knowledgeable and probably a fairly aggressive "get 'er done" type person, the temptation to become a "Micro Manager" will be very strong.

What is a Micro Manager? It is someone who watches and questions every step a subordinate makes. It is someone who gives a task out then hastily takes it back because they feel no one can do it as good or quickly as they can themselves. It is someone who is short on patience and long on requirements. It is someone who has very high expectations but does not take the time to lay those expectations out in a clear and quantifiable manner. It is someone who is high on power but low on empowerment. In short, a Micro Manager is someone who has not really transitioned from the silo-minded Super Star to the visionary Great Leader.

Here are a few pointers

on how to avoid falling into the Micro Management trap and really get on the road to successful and ENJOYABLE Management:

Personality Profiling

It is no secret that most people fall quite heavily into one of four major personality styles. Different institutions call the social style quadrants different things, but they essentially come down to the same thing; Driver, Interactive, Cautious and Stabilizer. At Fitness Club Success, we actually offer tutorials and easy-to-use tools that define the quadrants as "colors" (See **Andrea's September 2008 Article** online at www.clubinsideronline.com). The importance of personality profiling is to first understand yourself, your natural behavior tendencies, your comfort zones and how you affect others. Next, you need to learn to identify the

dominant personality styles of each of your team members. This will enable you to place them in the most productive roles for their comfort zones, give you insight as to how to best communicate with them, put complementary groups of people together and know how and when to adjust your own behaviors in order to glean the best qualities out of an individual or group.

Define Roles and Responsibilities

Each person on your team is in a role that has particular responsibilities, competency requirements, departmental boundaries and output expectations. You must provide not only clear and concise WRITTEN job descriptions for each role, but you must lay out clear guidelines as to what is expected in activities and results on a daily basis. Be consistent! All



Andrea Sobotka

individuals in similar roles (such as Front Desk Operators or Sales Representatives) should be clear on expectations for themselves as well as their colleagues and should never have the sense that there is a double standard going on. Departmental Policy and Procedures Manuals, as well as New Staff Orientation Packets (See **Andrea Sobotka Page 20**)

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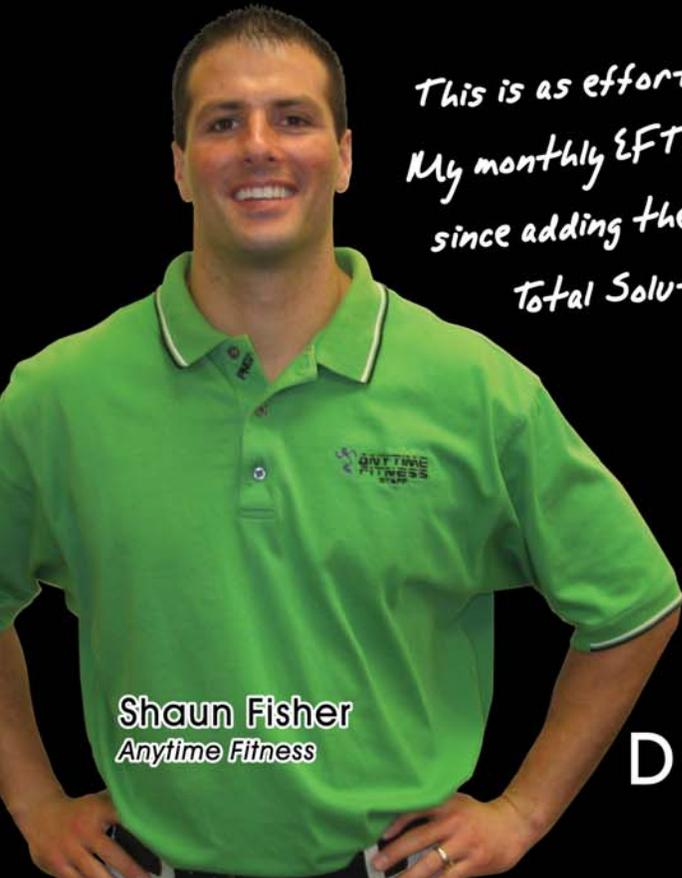
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Asking Questions Could Lead To Major Cost Savings!

By: T.J. Carter

As business owners and managers, we are all looking for ways to generate revenue and reduce expenses. When it comes to Human Resources, like many owners and managers, as long as employees are paid on time, morale is good and the company has benefits, we don't worry much about HR details.

However, in today's business climate, we can no longer assume "everything is fine" in HR. This is one of the biggest expense areas in a company.

Are you sure you are getting the best value as it relates to your employee benefit plans? If you are using a broker and paying a commission, what other services are they offering you as a part of that commission? Is the commission competitive? Is your plan design appropriate for your workforce, or are you giving

away benefits and spending more than you need to?

Have you had a conversation recently with your HR provider about your compensation strategy? Is what you are paying employees in line with your revenue? Are you having the hard discussion about your business projections for the coming year and employee headcount? If you are making reductions, are you using the appropriate methodology to determine who is let go and who stays to avoid liability?

While looking for ways to be more efficient and save money, let's not forget about protecting our assets. Make sure your HR provider has a broad knowledge of employment law and job classifications. We should be reviewing the exempt and non-exempt status of all jobs on a continuous basis. As a former business colleague said, "if only I

had known to ask more questions and not assume everything was fine, we may not have had a disgruntled ex-employee turn the company into the Department of Labor and subsequently receive a hefty fine."

Are you taking advantage of tax credit programs provided by the government such as the Work Opportunity Tax Credit Program? This program provides tax credits to companies for hiring employees considered to be 'disadvantaged'.

What about Payroll? Are you still doing it manually and do you have someone in the company dedicated to this function? What happens when he is out? If you are a sales organization, administering payroll becomes very complicated with commissions, bonuses and contests etc. Are you calculating incentive pay correctly? Even if you are a small company, there

are affordable systems out there that can process your payroll, provide a wealth of other services and save you money. In some cases, you can eliminate your payroll and/or HR employee and use those funds elsewhere.

If you haven't already done so, conduct an HR assessment and ask these questions to determine the state of HR in your company. There may be dollars that could be better spent, or not spent at all.

As with most businesses, owners and managers are focused on growing sales, improving customer service and increasing operational efficiencies. If only we would stop and try to find savings in ALL areas, not just the obvious departments. HR should be a strategic partner in the business, and if not, we should be asking ourselves why not and not wondering why we never paid more attention to this very



T.J. Carter

important area.

(TJ Carter is the President of TJ Carter and Associates, LLC and may be reached at: 214-821-2337 or visit www.tjcarterandassociates.com)

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will create a culture of security, confidence and clarity.

Staff Training

As a Manager, you are directly responsible for ensuring that your staff members are properly trained for the roles YOU have placed them in per YOUR company policies and procedures. You are also directly responsible for establishing and communicating your optimal

performance expectations so they know what you expect of them. To hire someone who has a resume full of experience in a particular role, such as sales, is great! BUT, do you want employees running around like cowboys doing their own thing all over the place? Or, do you want a culture of consistency and professionalism? Teaching your staff to operate in a unified, consistent and professional manner will directly quash your temptation to "Do It Yourself" all the time! That is because you can be confident that they are doing things the way

YOU would do it.

Consider utilizing the services of an online staff training program, such as FCS University (www.fcsuniversity.com), that will provide you with an innovative and time efficient way to consistently train your staff with world class course content and function, be able to see who is doing what at any time and instantly produce certificates to reward your staff for successful course completions. It is also incredibly affordable, beating the money spent on workshops and pricey consulting fees, not to mention hours of your precious time doing one-on-one training over and over again.

Performance Reviews

In a management capacity, it is critical that you monitor and measure the performance and competencies of each staff member, BUT, not every day! Set up a schedule that is heavier in the first year of employment, such as weekly for the first three months, then monthly for an additional three months, then again at month eight and finally at month twelve. After that, semiannual reviews are sufficient unless an obvious problem arises. Performance reviews are utilized to identify immediate training needs, continuing education

needs and measure competencies, identifying candidates for promotion, compensation changes and relationship building. Again, be consistent in your format and delivery of reviews and always provide the staff member with a signed copy of his review and subsequent action plan or recommendation, if there is one.

Delegate!

This is probably your most valuable skill to learn, yet for most of you, probably the hardest. It means giving something up, a task! Yikes! You just cannot do absolutely everything yourself and be there to effectively coach and develop your staff, while competently running your whole department. If you are busy micromanaging every little task or detail, or even worse, trying to do everything yourself, before you know it the monkeys will be running the zoo. You can lose control of your operation completely because you cannot possibly see the big picture if you are constantly zeroed in on small spaces. What you need to learn to give away is some of the "busy" or "technical" work. If you have done a good job at the aforementioned items, you will know by now who on your team might be well suited to take over a particular task and

complete it to your satisfaction.

As a successful manager and leader, you must become proficient at seeing and envisioning the bigger picture, setting goals, knowing who your players are and what they can do and getting your arms around the whole thing without throwing your symbolic back out. By adopting some of the softer skills used by world class managers and leaders, you will avoid becoming the dreaded and frustrated Micro Manager and will shine comfortably as a GREAT Manager whom people ENJOY working for!

(Andrea Sobotka is the Co-founder with her husband Rick, of Fitness Club Success and Fitness Fundraisers. The FCS University and Resource Center provide a WEALTH of tools and management resources for everything involved with operating a fitness facility from world class and quantifiable online staff training courses, to HR resources, innovative marketing ideas, "how to" articles and downloadable forms and manuals. FCS University is smart, innovative, economical, available 24/7 and unparalleled in value! Check it out at www.fcsuniversity.com or contact Andrea at Andrea@fitnessclubsuccess.com)

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Group Exercise Programming: A New Business Model?

By: Laurie Cingle

Once upon a time, in a fitness industry long, long ago, group exercise was called "Aerobics," a term invented by Dr. Kenneth Cooper. Born in the 70's, as dance-style classes held in the basement of churches (a.k.a. Jazzercise), aerobics grew to occupy standalone studios located in commercial strip shopping centers in the 80's. Participants willingly paid either by-the-class or a fixed monthly fee for classes (and just classes).

Evolution of a Trend

Aerobics soon moved into fitness centers, becoming a way for a club to differentiate itself from its competitors. Classes started out being taught on half the basketball court (while men continued to shoot baskets on the other end), or in a racquetball court, because clubs initially had no dedicated space available for this new trend. To attract more members, especially women, aerobics became a core program offered in most multipurpose clubs. Monthly

membership dues included unlimited participation in aerobic classes at no additional charge.

Many clubs continue to follow this model today.

Is it Time for a Change?

At a recent roundtable of club owners and managers, concern was expressed that the cost of delivering group exercise in today's market was getting out of hand. The topic came up about charging for group exercise classes that have traditionally been part of monthly club dues. The question was, "Can we change our business model and still please members?"

Much of the club manager's dismay stems from a few facts:

- Some clubs have experienced a reduction in the number of members who choose to participate in group exercise classes.
- It's tougher today than it was 20 years ago to find passionate, dedicated group exercise instructors who can effectively lead a class.
- The interests of members

have changed and clubs have been slow to change their programs to address those interests; many clubs are still programming group exercise the way they did in past years.

Measuring Group Fitness

Scott Lewandowski, Regional Fitness Director for Fitness Formula Clubs with 9 locations in Chicago, says, "I don't think we can ever charge a fee for core classes we currently have on the schedule. Our members are so used to getting them for free. Our group exercise program is the glue that helps with member retention. It connects members to staff and members to members."

"Even though I don't believe we can change our current program to a fee-based model," says Lewandowski, "we can change by doing a better job at measuring how successful those core classes are and adjusting accordingly."

Three years ago, Lewandowski discovered that group exercise was costing Fitness Formula \$100,000 per year per club. Here is how he

went about determining if their rate of return was good based on his costs:

Step 1: Eliminate all classes that have run their course; those that attract an average of six or less people.

Step 2: Calculate the current cost per participant as a function of the overall group fitness department costs. After analyzing the data, Lewandowski set a goal to keep his group exercise cost per participant at \$3.00.

Step 3: Determine the group exercise program's penetration rate in each club. Compare the total number of club visits for a given month with the total number of members who enter the group exercise classes in that same month. Divide the total group exercise visits by total club visits to calculate the group exercise program's penetration rate. Watching the trends helped Lewandowski determine a benchmark penetration rate of 20%.

Step 4: Track the numbers



Laurie Cingle

each month. "Today, if a club's cost per participant is not at \$3.00, we look at the individual classes to see which classes are at risk of being lost," explains Lewandowski. "For example, in 2005, our cost per participant in our Halsted Street club was \$10.00. We offered 75 classes per week with a payroll of \$12,500 per month. We discovered that the class average was 6 people -- basically, we were delivering small group training that needed to be fee-based. We pared down to 50 classes a week. Of course, (See Laurie Cingle Page 24)

Congress Plans Incentives for Establishing New, Healthy Habits

IHRSA - May 11, 2009 - In its effort to overhaul health care, Congress is planning to give employers sweeping new authority to reward employees for healthy behavior, including better diet, more exercise, weight loss and smoking cessation.

Congress is seriously considering proposals to provide tax credits or other subsidies to employers who offer wellness programs that meet federal criteria. In addition, lawmakers said they would make it easier for employers to use financial rewards or penalties to promote healthy behavior among employees.

Two Democratic senators working on comprehensive health legislation, Max Baucus of Montana, the chairman of the Finance Committee, and Tom Harkin of Iowa, have taken the lead in devising such incentives.

"Prevention and wellness should be a centerpiece of health care reform," said Mr. Harkin, who regularly climbs the stairs to his seventh-floor office on Capitol Hill.

The White House agrees. One of President Obama's eight principles for health legislation is that it must "invest in prevention and wellness," a goal espoused in almost identical words by Republican senators like John Cornyn of Texas and Orrin G. Hatch of Utah.

Frank B. McArdle, a health policy expert at Hewitt Associates, a benefits consulting firm, said, "Wellness and prevention programs have become a mainstream part of the benefits offered by large employers, and it's virtually certain that Congress will include incentives for such programs in its bill." The goals of

such programs are to help people control blood pressure, fight obesity and manage diabetes and other chronic conditions.

Under Mr. Harkin's proposal, employers could obtain tax credits for programs that offer periodic screenings for health problems and counseling to help employees adopt healthier lifestyles. Programs could focus on tobacco use, obesity, physical fitness, nutrition and depression.

If, for example, an employer pays the cost of a gym membership for employees as part of a wellness program, the payment is often counted as taxable income to employees.

Helen Darling, president of the National Business Group on Health, which represents 300 large employers, said, "We would like Congress to change the law (See Congress Page 23)

Equinox Fitness Clubs Continue Growth

NEW YORK - April 14, 2009 - When the going gets tough, the tough get fitter, healthier and blasts stress. So, it stands to reason that Equinox Fitness Clubs are still going strong despite these challenging economic times. Yesterday, Equinox opened its second Boston location at 225 Franklin Street. The 40,000 square-foot landmark building is situated in the heart of Boston's financial district.

"After making a strong entry into the Boston market on Dartmouth Street in 2007, we are truly excited about this second powerful location," says Jeffrey Weinhaus, Executive Vice President of Development for Equinox. "225 Franklin is a premiere site in a Class A building that will serve as a perfect complement to our Back Bay facility."

The design of the club was inspired by the club's interior vault and its glamorous 1970's machined door pattern and finish. Equinox has translated that sensibility of precision precious metals in a new decorative language.

"We are continuing to institute an aggressive growth strategy, not only for this year, but for many years to come. To that end, we are actively pursuing real estate and expansion opportunities in several markets," says Equinox CEO, Harvey Spevak.

This year, despite the continuing economic downturn, the company has already opened a new club on New York City's Upper East Side; completely renovated and reopened its original flagship, its 76th street club on the Upper West Side; and (See Equinox Page 23)



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...Congress

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so it would not be taxable income if an employer provides a benefit to help employees stay healthy."

Employers who reward healthy behavior may also run afoul of a 1996 law intended to prevent group health plans from discriminating against people because of their health status or medical history.

If an employer offers financial incentives to employees for lowering cholesterol, losing weight or stopping smoking, the amount of such rewards generally may not exceed 20 percent of the cost of coverage.

Many employers would like to offer larger incentives, and many in Congress want to let them do so.

...Equinox

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is set to open its second Dallas location in the fall.

Known for its innovative programming, immaculate facilities and celebrity clientele, plus its award-winning designs from world famous architects, David Rockwell, Arthur Casas, Piero Lissoni and Clodagh, Equinox now has over 48 locations nationwide.

Meanwhile, Equinox expects 2010 to be another year of active expansion; so far, a club is slated to open in Bethesda, MD in the spring. In addition, according to Jeffrey Weinhaus, the company is vigorously seeking further real estate opportunities in the New York metro area, Southern California, Boston, and D.C. "For 2010, our strategy is to create eight new Equinox Fitness Clubs nationwide," says Weinhaus.

**Make
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...Laurie Cingle

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there was some resistance by members, but we talked to them and explained the situation. We promised that if other classes started growing, we would add classes back. We were able to bring our class attendance average up to 13 and our cost per participant down to \$3.00. Our penetration increased to 16% of total club visits."

Step 5: Look at what is not offered on the schedule and determine how to add fee-based classes to fill the void rather than adding additional non-fee classes.

What Can We Charge For?

Sue Schonberger, group exercise director at Baptist East Milestone Wellness Center in Louisville, Kentucky, says, "We know that personal training is hugely successful and that people are willing to pay extra for the service. With personal trainers delivering more group training programs, we are crossing into the realm of fee-based classes but in a different way. Many of our trainers deliver their group training in our studios rather than in the fitness area."

Schonberger and Lewandowski suggest several programs which currently fit under the umbrella of group exercise that could be offered successfully for an extra fee:

- Boot Camps, both indoor and outdoor
- Dance-specific classes
- Self-defense
- Higher level yoga and specialty yoga (continuing to offer free basic yoga on the schedule)
- Pilates Reformer
- Classes that require special equipment like the Workout 180, Free Motion Cable Tower or Gravity.

Back to Boot Camp...

It's funny how things go full circle. One of the most popular trends in clubs today is Boot Camp, the indoor version being conducted on half the basketball court or in a racquetball court. For the past several years, we've all read about the "new" hot trend of dance-style classes. Popping up in commercial strip shopping centers are boutique fitness facilities reminiscent of the aerobic studios of the 80's --Curves, private personal training studios and specialized group exercise studios (like Ellen's Ultimate Workout in Davie,

Florida - See **Ellen's Ultimate Workout Side Bar Below**).

People are willing to pay for these special programs just like they were more than 25 years ago, before we brought group exercise classes into clubs.

Is the quality better than typical club programs? Possibly. We can assume these programs all possess a perceived energy and value that is uniquely different from that created in our traditional group exercise offerings. What's old is

new again... and people are still willing to pay for it!

(Laurie Cingle is a veteran club consultant and may be reached at laurie@lauriecingle.com)

Ellen's Ultimate Workout - Davie, FL A Pay-As-You-Go Group Fitness Program Model

"Non-stop phenomenal group fitness classes" is how Ellen Latham, owner of Ellen's Ultimate Workout describes her 6,800 square-foot facility located in a strip shopping center in Davie, Florida. Latham, a 32-year veteran of the fitness industry, remembers the excitement of group fitness in the 80's. She said, "I craved the excitement and energy that the aerobics classes of that time created. I couldn't find anything in the industry today that provided that same feeling."

In her career, Latham wore many hats; instructor, club program manager and industry consultant. "I moved into management because I had a desire to earn a better income," she says. "In the end, I loved teaching classes and wanted to create a business where I could do just that."

Patrons of Ellen's Ultimate Workout pay by the class. She uses words like "hot intervals" and "sizzle" to describe the classes at her studio. Her menu is simple and consists of four key programs, two of them unique to her business alone:

Group Pilates Reformer - 10 Reformers accommodate 10 people in the class. "Everyone else uses just 2 to 4 Reformers in their classes," she explains. Latham, who has a Master's degree in exercise physiology and advanced certification in Pilates, fused her physiology knowledge with Pilates principles and formed her own technique. "It took three years, but I figured out how to teach larger groups on the Pilates Reformers."

Ultimate Workout - "Ultimate Workout is our indoor boot camp. We have a dedicated, 1,900 square-foot room within our facility that houses treadmills, dumbbells, TRX Suspension systems and stationary rowers. It's offered 50 times a week. Each participant gets his own machine." After completing 30 minutes of interval training on the treadmill, participants move to the dumbbells for strength work, followed by the TRX for core, and finally, 10 minutes on the rower focusing on postural control. "It is a wow, knock-you-off-your-feet experience."

Spinning - "Our Spinning bikes have RPM meters that provide feedback to clients. We have the best instructors in the area and a widescreen TV on the front wall of our studio for viewing an MTV Video or an actual simulated road ride sets our program apart from all others."

Yoga - "Yoga has its own isolated space in our facility."

People pay between \$10 and \$21 per class depending on the class. "We see the majority of our clients 3 to 4 times a week," she says.

Latham attributes the success of her business to the uniqueness of her programs and the high quality instructors she employs. "My instructors are handpicked by me. Three of my instructors were former clients of mine. I trained them. In my business, I need 'career' teachers --people who want a career in fitness or people who are super enthusiastic about fitness. It is hard to find good group fitness teachers." Latham demands a lot of her instructors. Believing in the adage "you get what you pay for," she compensates her instructors well, between \$50 and \$80 per class. "Our members happily pay for the program and for the instructor."

Regarding the community she lives in, she says, "If I can make this work in Davie, Florida, it can work anywhere. Yes, we are close to Miami, but our community is not wealthy by any means. Davie is the deepest suburbia in South Florida. My studio is in a poor rundown strip shopping center because the rent is cheap. We are literally across the street from a cow field."

Latham offers this advice to clubs who are interested in adding programs like hers in their club, "Designate a space for special 'Elite Programming.' I recommend clubs start with either the Ultimate Workout or with my Reformer Group Pilates."

She adds, "Everyone is searching for the next new hot thing in fitness. This is it!"

www.EllensUltimateWorkout.com



David Patchell-Evans Tries to Stop Canadian Tax Increase

LONDON, CANADA - April 17, 2009 - David Patchell-Evans, incoming Chair of IHRSA, President of the Canadian Fitness Professionals and Board member of Fitness Industry Canada, waded in with the Minister of Finance on the issue of the newly proposed harmonized tax introduced by the Ontario Provincial Government and supported by Canadian Federal Finance Minister Jim Flaherty. The Ontario Government announced in its March 26, 2009 budget that it plans to harmonize the 8% Ontario retail sales tax (RST) with the 5% federal goods and services tax (GST) to form a 13% harmonized sales tax (HST), effective July 1, 2010 (the "Implementation Date"). To date, a provincial tax has not been paid on fitness services.

"This is a tax on the health and fitness of Canadians at a time when we can ill afford the health implications of a challenged economy," said David Patchell-Evans, who is

also the Founder and CEO of GoodLife Fitness. "What this tax means is that services such as memberships, personal training and massage will be taxed. I met with the Finance Minister of Ontario and had a discussion about possible alternatives. He has promised to look into the situation at the same time without making any commitments. The foot is now in the door."

This additional 8% tax burden flies in the face of an inactive and obese population. According to Statistics Canada, 65% of men (7.7 million) in Canada are overweight or obese and 53.4% of women (6.5 million) in Canada are overweight or obese.

To tax health and fitness clubs is extremely shortsighted when there should be an unprecedented focus on prevention. The total direct costs of obesity, as reported by the Canadian Medical Association in 1997, are estimated to be over \$1.8 billion or 2.4% of total health care expenses in Canada.



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Programming Tip of the Month:

Three Programming Tips - Guaranteed Successful

By: Sandy Coffman

If I had to rename my book, *Successful Programs for Fitness and Health Clubs: 101 Profitable Ideas*, I would name it *Make It Fun!* because that's exactly what great programming does for the fitness clubs of our industry. Programming is the part of our business that taps into your creative juices and allows you to truly bring the world of exercise, fitness and wellness into an enjoyable, fun and social experience for your member. The results are happy,

healthier members and a growing, profitable business for you. How's that for a win-win situation!?

Although programming is fun and innovative, make no mistake, it is also big business, and *there has never been a time in our industry where the principles of creating fun, productive experiences were more important.* You have 101 programs to implement immediately, but more importantly, you must make them fun, be fun and have fun too. That's what *successful programming* is all about. Provide your staff, your program directors, instructors and

trainers with tools that will launch every program into a successful experience for your member as well as your business.

Let's look at just three tips to consider if you would like to *kick your business of programming up a notch.*

1. Develop Excellent Program Directors - You cannot "assign" programming duties to just anyone on your staff and expect a program to be a success. Programming is more than an idea. It takes careful planning and an understanding of how

your facility, your staff and your clients interact. Very often, we sell memberships or activities in terms of the type of equipment available or the amount of it. Although physical characteristics are important, it is the personality of the club that will keep people coming back. Your active, long-term member measures the value of your club in terms of recognition, relationships and camaraderie. These are the attributes of programming. You can provide a fitness evaluation and three workout sessions with
 (See *Sandy Coffman Page 30*)



Sandy Coffman

The American Association of Franchisee and Dealers (AAFD) Announces Curves International as Franchisor of the Year

Curves International is the franchisor of Curves Fitness Centers, the world's largest fitness network with nearly 10,000 franchisee-owned fitness clubs serving four million women worldwide. Curves is also one of the fastest growing franchise companies in history.

Notwithstanding the challenges of rapid growth and dynamic involvement in multiple channels of distribution, the company has embraced a collaborative culture with its franchise network and has enjoyed a very positive relationship with its members as a result.

AAFD Chairman Robert Purvin cited Curves' exemplary

franchise culture as the primary focus of the AAFD's recognition. "Curves' management has encouraged and supported the organization of an independent franchisee association, including a willingness to engage the association's elected leadership."

"In the 15 years that I have been representing franchisee associations, my experience with Curves International has been utterly unique," said Ron Gardner, the attorney for Circuit Fitness Association (CFA). "The company has supported a completely independent association, both financially, and through open and continuous

access to Curves' senior management and have embraced the CFA as a valuable source of information. That's contributed to noticeable improvements in the system for both the franchisees and the franchisor -- exactly how a healthy franchisor/franchisee relationship should work."

"Curves International, under the leadership of Gary and Diane Heavin, as well as Mike Raymond, has shown tremendous support for the Curves Franchisee Association. This has been done through funding, as well as an open dialogue with not only top leadership, but with the various department heads," said Mary Ella Young, President of CFA.

"Curves has always asked for complete honesty and has been very open to criticism when the CFA felt it was necessary. This never dissuaded them from their support of the CFA; quite the opposite, they are interested and support the transition to being a completely independent and autonomous group."

Under the leadership of company founders, Gary and Diane Heavin, Curves has defined itself as a franchise system built upon a culture of collaboration with and respect for its franchisee network, as well as setting a high standard for customer satisfaction and commitment.

CEO, Gary Heavin,

said, "We have always made every effort to work hand-in-hand with our franchisees, as partners and as friends. The CFA is an indispensable resource, providing invaluable feedback that allows us to serve our franchisees at a higher level. I am pleased to accept this award in recognition of the collaborative efforts of our corporate employees, our franchisees and the CFA."

The Heavins opened their first Curves in 1992 and sold their first franchise in 1995. The company is headquartered in Waco, Texas. All Curves fitness clubs are independently owned and operated.

Reminder to Pool Owners and Operators: Seasonal Pools Must Meet New Anti-Entrapment Legislation Before Opening

NSF International is reminding owners and operators of seasonal public pools that new legislation, which took effect in December 2008, now requires them to install anti-entrapment devices that meet the new Virginia Graeme Baker Pool and Spa Safety Act (VGBPSSA) before opening for the season. The VGBPSSA Act was adopted to help protect children from life-threatening injuries and deaths from potentially dangerous pool and spa drains.

According to the Con-

sumer Product Safety Commission (CPSC) records, there were more than 120 suction entrapment accidents between 1990 and October 2003, of which 25 resulted in death. To help reduce the potential for such incidents, the VGBPSSA Act requires all suction outlet fittings and covers manufactured, distributed, or sold in the United States after December 20, 2008, to comply with ASME/ANSI A112.19.8-2007: *Suction Fittings for Use in Swimming Pools, Wading Pools, Spas, Hot Tubs, and Whirlpool*

Bathtub Appliances. This standard addresses potential suction and mechanical entrapment hazards, including hair, limb and body suction entrapment.

"While pools that are open year round were required to install appropriately-sized suction fittings that complied with the VGBPSSA by December 20, 2008, some seasonal pools that closed before this date may still need to upgrade these devices in order to be in compliance," said Richard Martin, NSF Recreational Water Business

Manager. "In addition to testing other recreational water system components, NSF is also involved in testing and certifying suction fittings in accordance with these new requirements."

The NSF Certification process for suction fittings under the new ASME A112.19.8 standard involves various stress tests, including pull and shear load tests, impact tests, as well as finger and hair entrapment and body block testing. NSF also reviews product design, fasteners, packaging and installation

instructions to verify compliance with the ASME standard and ensure that the water contact materials and coatings used in the product's construction comply with the public health requirements specified in NSF/ANSI Standard 50 - *Equipment for Swimming Pools, Spas, Hot Tubs and Other Recreational Water Facilities.*

For more information on certification to legislation contact Richard Martin at **734-769-5346**, **martin@nsf.org** or visit **www.nsf.org/info/pools**.



Challenging Times...Right Choices

Families and communities are looking for hope. The circumstances that they face...that we all face....may require great change.

Hope, and Change. This is not a new message. It has been the message of health clubs for generations, re-enforced by medical and sport science along with the testimonials of countless health club members over those years.

Today, as you are looking for that 'something new' that will boost your sales and retention numbers, consider focusing on what the hope and change are all about...wellness. Wellness as it relates and spills over into every area of our life, and how you can better communicate that message to the community you serve.

It is a message health clubs are uniquely positioned to deliver, and Greenmaple Wellness is uniquely positioned to help you deliver it. Lynette and I have been working with club owners and managers for many years, and our 'big picture' approach to member communication and retention, as well as community outreach and education, will streamline your sales and retention efforts and maximize your results.

We're looking forward to speaking with you whenever you're ready.

Shawn and Lynette Vint

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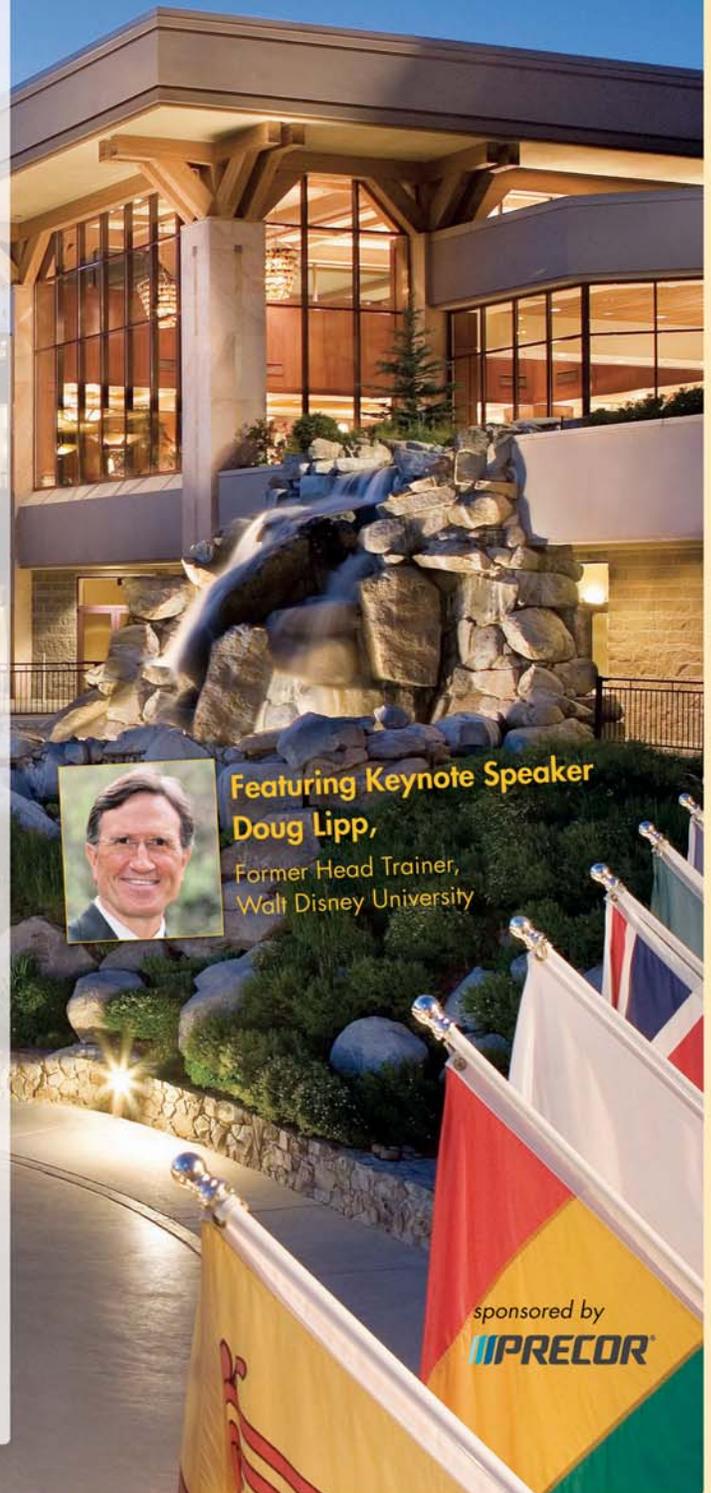
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2009 DISTINGUISHED SERVICE AWARDS

This year's recipients (pictured left to right) are John Guelzow, Scott Frasco, Michael Rojas, and John Salvitti.

FREE SEMINARS

Tuesday, August 18, 2009 - Daily Opening Session Feature Speakers

	Closing The Seven LOOPS for Health Club Success in Today's Challenging Times - Mike Chaet "ClubDoc" This session is created to answer the tough questions as to how to SURVIVE AND EVEN THRIVE in today's craziness. Economic upheaval, over development, and tight money are having their effect on everyone. This workshop will help you understand how you can move to the head of the pack instead of falling by the wayside.	
	RED'S Five Strategies for Personal and Professional Success - Red Larille, Former Mr. Universe, Owner Red's Athletic Club, Lafayette, LA Red has been successful in all areas of his life both personally and professionally. He owns and operates one of the most successful clubs in the country. He is here to share with us his own personal SECRETS TO SUCCESS. You need to attend this one.	
Time	Marketing and Sales Track	Management Track
10:45 a.m. - 11:30 a.m.	Why Building Trust In Your Community Is The Key To A Great Future For Your Club - Norm Cates, First IHRSA President, 20-year club developer, owner/operator, and 16-year Publisher of Club Insider	Using Data to run your club profitably - Scott Burgess, VP of Operations, Fiserv
11:30 a.m. - 12:30 p.m.	Lunch Break	
12:30 p.m. - 1:15 p.m.	Shoestring Marketing - Mark Davis, Master Trainer and VP CMS International	Using Systems to build Accountability, - Leesa Kirkland - Owner CMS Fitness Center Baton Rouge, Louisiana
1:30 p.m. - 2:15 p.m.	The Five Secrets To Successful Healthclub Marketing - Jarrod Sarrocco	How to Analyze Your Financial Information - Bryan Dugger CPA Owner Ogden Athletic Club
2:00 p.m. - 6:00 p.m.	National Fitness Trade Show Exhibits	
6:00 p.m. - 8:00 p.m.	Lifetime Achievement Award Banquet	

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Time	Marketing and Sales Track	Profit Center Track
10:45 a.m. - 11:30 a.m.	Developing a dynamic Annual Marketing Plan - Mike Kincaid, Lebanon Sports Club	One on One Training Center - Huge bottom line profits - Tasso Kiriakos, Owner Bod Ez By Tasso, Ormand Beach FL
11:30 a.m. - 12:30 p.m.	Lunch Break	
12:30 p.m. - 1:15 p.m.	The Latest and Greatest in Marketing and Sales - Mike Chaet, Clubdoc	Tanning For Major Profits - Marty Sloan, Heartland Tanning Inc.
1:30 p.m. - 2:15 p.m.	Using a Holiday Fundraiser to Build a Steady Stream of New Members - Tony Auriema	Overcoming adversity- A gripping story of overcoming personal adversity and the lessons learned to make my club a success - Ross Suozzi, Cancer Survivor, Owner Peaks Athletic Club Fountain Hills AZ
2:00 p.m. - 6:00 p.m.	National Fitness Trade Show Exhibits	
7:00 p.m. - 9:00 p.m.	Ms. Fitness USA Finals	

Thursday, August 20, 2009 - Daily Opening Session Feature Speaker

	How to Pull Profits From Thin Air - Donna Krech, Founder Thin and Healthy - Total Solutions and Life Success	
Time	Marketing and Sales Track	Service and Retention Track
9:45 a.m. - 10:30 a.m.	Selling More Memberships Starting Tomorrow Using The Trust + Value = Price Matters Less Theory - Mike Deigan, Owner Temecula Athletic Club, Temecula, CA	Lawsuits and Liability: Steps club owner's can take to defend their club - Ken Reing, Sr. VP of Association Insurance Group
10:45 a.m. - 11:30 a.m.	Close Each and Every Sale - Mark Davis	The FISH Philosophy to Improve Retention - Steve Lundin
11:30 a.m. - 12:30 p.m.	Lunch Break	
12:30 p.m. - 1:15 p.m.	Creating a Culture of Self Accountability - Dennis Shepherd, Former Owner Carmel Valley Racquet Club	Creating a Service Culture - Charley Hauser, Owner Wilmington Athletic Club, Wilmington, NC
1:30 p.m. - 2:15 p.m.	Sell Sell Sell - Duane McGill, Owner Human Behavior Sales Academy	Leveraging Strategic Value Management for Success - Jeffrey Keller, General Manager, Eagle Point Recreation Complex
2:00 p.m. - 5:00 p.m.	National Fitness Trade Show Exhibits	
7:00 p.m. - 9:00 p.m.	Ms. Fitness World Finals	

Wednesday, August 19, 2009 - Daily Opening Session Feature Speakers

	Innovation Everyday In Every Way - Steve Lundin, Bestselling Author of FISH - Top Performer and CATS This refreshing approach based on the recently released book, CATS: The Nine Lives of Innovation, brings innovation out of the clouds and into the lives of everyday people trying to make improvements in their work and in their lives. After all, organizations don't innovate, people do.	
	The Pictorial and Dialog History of Physical Fitness - Bill Pearl, Former Mr. Universe, Owner Bill Pearl Enterprises, Medford, OR Bill will be taking us back to the Greek and Spartan society of physical culture, then bringing us forward to today's health and fitness lifestyle. It's a fascinating presentation that should be seen by everyone in our industry. Don't miss this one.	

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See hundreds of products and services displayed under one roof: cardio, strength, and freeweight equipment, lockers, financial services, flooring, computers, software, consultants, specialty items, supplements, health products, sportswear, suntan units, fitness accessories and much more. As the longest running trade show in the fitness industry, the National Fitness Trade Show features top fitness equipment from leading manufacturers, along with the products and services you need to make your business more successful. This Trade Show offers an inviting environment where every exhibitor is committed to working with you and ensuring your needs are fulfilled.

See everything in one place instead of spending valuable time contacting manufacturers and suppliers one at a time. Talk to companies from all across the nation, make on-the-spot comparisons and then YOU can decide who has the best product at the best price. You'll also be able to save money by taking advantage of special show prices. Plus to attend the Trade Show costs ... NOTHING!

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Well, you'll have to pay for your hotel, food, extracurricular activities for you and the family, but the National Fitness Trade Show, Seminars, Ms. Fitness and Awards Banquet are **FREE** if you stay at the Grand Sierra Resort with our group.

You see, we know running a fitness business is expensive to begin with, so we just want you to come and enjoy yourself while you explore and learn about the new options in weight/fitness/health products, services, and programs. We're betting you take some valuable new ideas home with you.

The Grand Sierra Resort is housed in the shadow of the snow-capped Sierra Nevada Mountains in Reno/Tahoe. Beautiful, well appointed rooms are yours at Grand Sierra Resort Casino; many with stunning views of the magnificent Sierra Nevada Mountains and the dazzling lights of downtown Reno. This soaring resort features a variety of amenities and services including free 24-hour valet parking, bell desk, laundry and valet service, gift shop, Entertainment Center, state of the art health spa with sauna and massage therapy, sun deck. The Grand Sierra Resort Casino also features several unique dining opportunities. Select any of the award-winning restaurants!

The Grand Sierra Resort Casino offers all your favorite table games plus on property bowling center, aqua range driving range, indoor bunker golf, 36 virtual golf courses, shuffle board, laser tag, arcade, bumper cars, go-karts, ultimate rush swing, reverse bungee jumping, bike and scooter rentals, and a 70,000 square foot shopping mall. There is also complimentary shuttle to the airport and downtown Reno.

With nine restaurants under one roof, the Grand Sierra Resort offers superb dining to fit every taste. Whether you're looking for the elegant tableside service of a truly gourmet steak house, seafood or outstanding Italian food, you'll find just what you're looking for at the Grand Sierra Resort.

The Grand Sierra Resort is offering a discounted rate of \$79.00 per night. Plus, if you stay at the Grand Sierra Resort with our group, you'll gain **FREE** access to our three full days of seminars (\$750.00 value) PLUS you'll also receive **FREE** of charge two \$100 tickets to the Ms. Fitness USA and the Ms. Fitness World (\$400.00 value). Visit www.NationalFitnessTradeShow.com to make your room reservations or call 1.800.648.5080 and reference Group Code *NationalFitness*.

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Savor elegant cuisine prepared by the Grand Sierra Resort's acclaimed chefs. Everyone is welcome to attend Tuesday, September 18, 2009 at 6:00 p.m.

...Sandy Coffman

continued from page 26

an instructor, but the majority of members won't commit to coming back on a regular basis. Take that basic program and *add some fun, in the form of contests and recognition*. Give awards or prizes to a variety of people and for various achievements. Include a *social component*, and you will have more members participating regularly and enthusiastically. Learn how to deliver the *ultimate promotion, a party*.

2. Put People Together - Every program is not for every person, but instead, a program is created for a specific group of people who share a common interest in the activity. The groups that I am referring to also share common skill levels, schedules, personalities and/or ages, maybe even genders. These are the qualities that form relationships and friendships. Create programs for specific groups of people that share these commonalities and you will be assured of

programming success and retention.

Putting people together is what the club business is all about. A club experience is all about "joining." Your members are joining a club to join a smaller group of people that they can all relate to. Your programs become clubs within your club. When people exercise together in a group environment that promotes camaraderie and friendships, you will achieve the goal of programming which is *retention*. Why? Because people don't quit friendships!

3. Program To The Members Who Want You And Need You Most - Clubs are very aware of their members who work out regularly and diligently. Employees and trainers are quick to compliment or even offer suggestions to those who are obviously receptive to fitness challenges, new pieces of equipment or the latest group exercise class. Programs for these people are not difficult to come up with because most of those

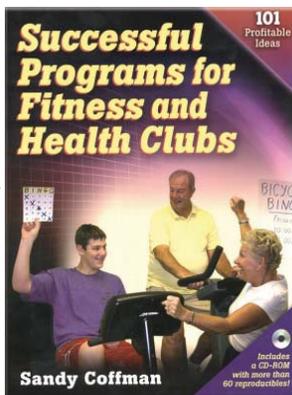
members are much in tune with the trainers themselves. Actually, programs are often not even necessary for the more advanced, already fit members to keep them active.

Statistics tell us that we may only see 20% of our members on a regular basis. The *majority* of your members are probably inactive --those that may have joined months ago but never come in. They are not experienced in a fitness club environment, and they would most likely fall in the category of beginners. Yes, the *majority* of your members need to be put together with others like themselves. They need to feel a sense of belonging that joining a club promised to provide. They need leaders that encourage laughter, friendship and enthusiasm. They need programs that put exercise routines into contests, games and social experiences that they look

forward to revisiting every week. They need programs that make their exercise experience FUN! Programming is for the majority of your members who want you and need you most.

If you are a large multipurpose facility, give your staff the tools to develop programs in every activity area; court sports, the fitness center, the pool, the gym and the group exercise studio. Once you find your niche at implementing programs effectively, you will be able to create programs that are sure to be successful, and you will find that most programs can be adapted to any facility, any market or any activity. Your entire staff should get good at learning how to *make fitness programs fun*.

You will not only build your business, but you will be making an extraordinary contribution to our world today. The world needs us, now more



than ever. Let's be ready, willing and able to deliver.

(To order Sandy's great programming book, *Successful Programs for Fitness and Health Clubs: 101 Profitable Ideas* go to www.humankinetics.com. Contact Sandy at SLCoffman@aol.com or visit www.sandycoffman.com)

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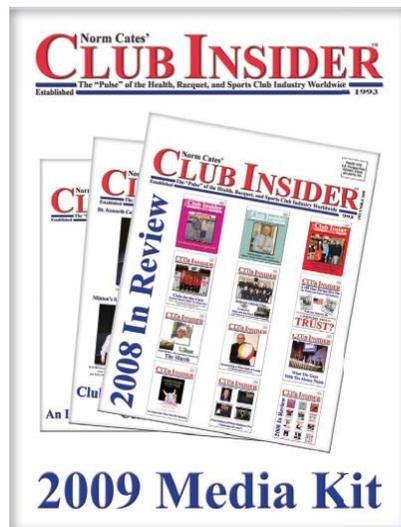
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| National Fitness Trade Show - Pg 29 | nationalfitnesstradeshow.com |
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Sincere Thanks and Great Appreciation To:

All who have advertised, purchased subscriptions, pitched in as Contributing Authors and read CLUB INSIDER! We are now in our 16th year of publication! All of you are on the "Team" that makes this publication, and we will be grateful to you forever. **I appreciate and LOVE 'Ya!**

Very Sincerely,

Norm Cates, Jr.

bodytraining systems



"I have never seen anything else in the industry have such a high impact on guest traffic, member retention, member satisfaction and profits. With BTS we've increased monthly group participation from 800 visits to 6,000 visits, added over 2,600 new members increased retention from 50% to 73% and increased profits by over 400%!"



John Bonica
Co-Owner, Global Fitness Centers

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"We have learned the impact that marketing BTS programs can have on driving traffic into our clubs. We have advertised FREE classes to non-members in various media which has increased traffic by over 25%. On top of that, 90% of prospects who visit WOW! and experience a BTS program, join that day!"



Stephen S. Roma
Owner, WOW! Work Out World

"We began working with BTS in 2006 and within two years we had dramatic impact on our business. We went from only servicing 9% of our members in Group to 37%. Our retention rate for Group members has skyrocketed to 93%! And amazingly, by executing one of BTS' management principles of integration, we have developed a cohesive team of instructors and personal trainers. This has resulted in our PT revenue increasing by over 55%!"



Mike Silva
Owner, The Edge

"BTS is the single best investment I have ever made, not only in Group Fitness, but also for my club as a whole. It services our members, sells memberships, markets our club and motivates our members and staff, including me! BTS has enabled me to increase my membership price from \$30 to \$49 per month, and we no longer compete on price."



Jason West
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