

Norm Cates' CLUB INSIDER™

The Pulse of the Health and Fitness Club Industry



(L to R) Marvin Gresse, Stephanie Coulon and Larry Conner, Founding Team of Stone Creek Club & Spa



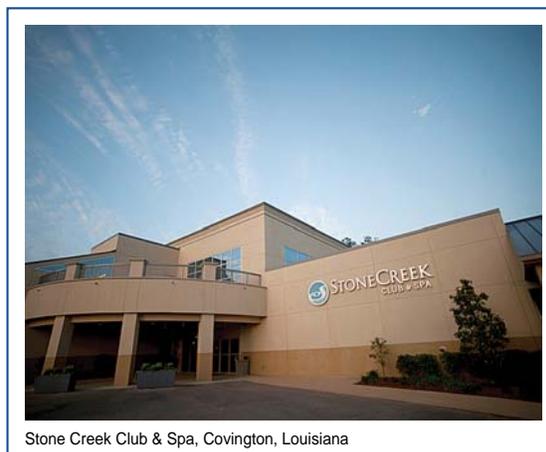
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“Your Everyday Getaway”

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Stone Creek Club & Spa

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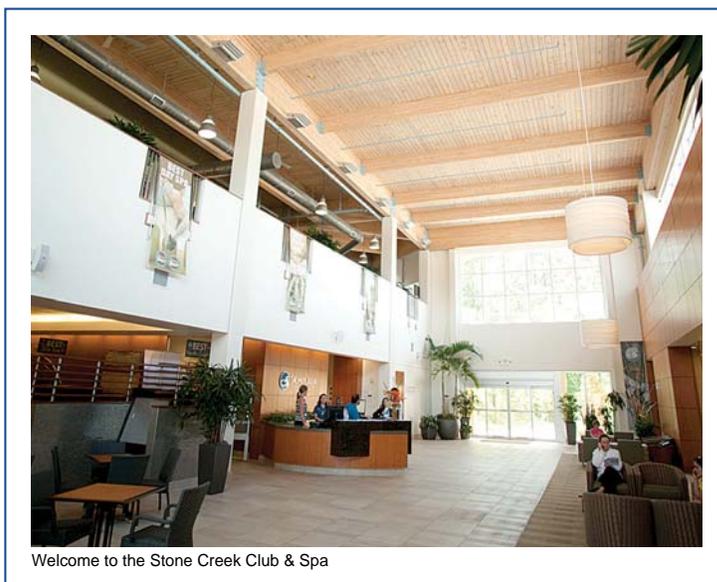
By: Justin Cates

Over the years, regular readers of CLUB INSIDER will have noticed several themes that have constantly repeated themselves in our publication. Some of these themes include the constant improvement and modernization of facilities, programs and other member offerings, club cleanliness being crucial to member satisfaction, true staff development and empowerment, outstanding member service that creates results, and possibly the most important, development of TRUST within the community via constant outreach. One of our goals as a publication is to share stories of success in the industry and what these organizations have done to be that way. This month, our study of Stone Creek Club & Spa includes everything mentioned above and more.

When I first met **Larry Conner**, Stone Creek General Manager, and **Marvin Gresse**, Assistant General

Manager, during the Bash for Augie's Quest at IHRSA 2013 in Las Vegas, I immediately experienced their chemistry as a team. Later, I found out there was a very good reason for this. They have worked with each other for many years at various club operations, each successful in their own right. In fact, Marvin has been working with Larry in some capacity since Marvin was 16 years old. Combined with their complementary educations and industry experiences, they have become a truly great left-hand meets right-hand team.

Delving deeper, though, it doesn't all just start and stop with Larry and Marvin, though they are the ultimate decision makers for fulfilling the ownership's vision of the club. The entire management team at Stone Creek has been there since the doors of the club opened several years ago, and all of them but one have worked with Larry and Marvin at one point or another in other clubs. This has built a unit of core
(See Stone Creek Page 10)



Welcome to the Stone Creek Club & Spa

The “Insider Speaks” *What Do You Stand For?*

By: Norm Cates

I was driving down the road in my Beemer listening to my favorite music radio station, Atlanta's 94.1 FM, when the song, *Some Nights*, written by Nathaniel Joseph/dost Ruess came on. For the first time ever, I actually listened to the words of the song, instead of just the

melody. During the song, these following lyrics really caught my ear: **“What Do I Stand For?”**

I returned to my home office, and after that lyric **“What Do I Stand For?”** resonated in my mind, I decided that *now* would be a *great time* to go back to a subject I wrote about in the **August 2009 Edition** of CLUB INSIDER: **TRUST**.

Almost four years have passed, but the lesson is still the same with the addition of some new bad actors in our industry. Bad actors such as: **JEFF STEC**, formerly the owner of a bunch of clubs in North Carolina who was banned from operating any health clubs for 12 years by the Attorney General of North Carolina due to his lawbreaking ways. Or, of course, if you're a long

time CLUB INSIDER reader, you probably remember **BRIAN HOMAN's** antics in the Fort Lauderdale area, or **SHANE FRANKLIN's** activities in California and Nevada, or as of late, **STEVE BORGHI's** antics in Massachusetts and the Mid-West.

So, for those of you who are long-time CLUB INSIDER readers, I might be a
(See “Insider Speaks” Page 6)

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- Is His Fitness Franchise In Good Shape?
- And of Course, *Norm's Notes*

Norm's Notes

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

•**Is America a great country, or what? Boston Strong! Hmm... Hmm... Hmm!** Here's what **Boston-based IHRSA** has to say about how to support the **Boston Marathon Bombing victims**. "The industry-wide support for those affected by the Boston Marathon bombings has been strong and endless. Being in an industry that's about health and exercise, it goes without saying that, aside from any Boston connections, there are numerous people in the industry who have run in the Boston Marathon, known someone who has or are participants in other marathons around the world and are part of that fraternity. There were even a few IHRSA members who were either injured by the blasts or ran in this year's race. To that end, there have been countless inquiries to IHRSA about how one can contribute to those most affected by the Boston Bombing events of April 15. Go to: **www.onefundboston.com** to contribute. Or, you may send a check to: **One Fund Boston, Inc. 800 Boylston Street, #990009 Boston, MA. 02199**. Folks, **\$28,858,266** has been raised so far for the **Boston Bombing victims**, but, money can't buy a cure for those who were murdered, or whose legs and arms were blown off by the bombs. **God bless all of the Boston Bombing victims and**

their families!

•This sad news from **BOB BUCHANAN** and **CINDIE UNGER**, owners of the **NE St. Petersburg Gold's Gym** in St. Petersburg, Florida:

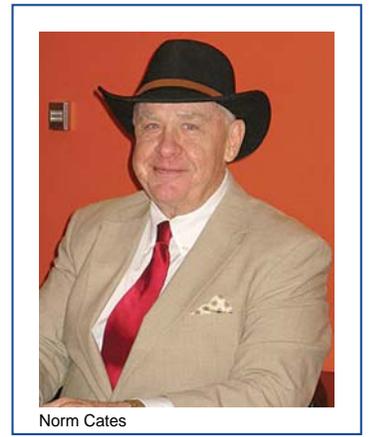
Dear Fellow Franchisees: Sadly, we lost our friend and General Manager, **MIKE RHINE**, in a boating accident on April 7. He was an all-around great manager, great guy and great friend. Our hearts are heavy. Mike started at Gold's as a personal trainer working his way up to Personal Training Manager then to General Manager. The outpouring of support from, not only our Gold's Gym staff, but also from our members has been heartwarming. During Mike's tenure, the club has seen the least turnover in staff in its history. Mike not only kept the club well maintained, but customer service was always at the forefront of his mind. He shepherded our club during the most difficult economic time in recent history. Mike leaves behind his wife, Amy, and two adult children. He and Amy would have been married for 25 years in June. In Mike's memory, we started a memorial fund at **www.youcaring.com** to present to his wife Amy. Any amount will be much appreciated.

Thank You,
 Bob Buchanan and Cindie Unger

NE St Petersburg Gold's Gym
 203 38th Avenue North
 St Petersburg, FL 33704.

•**April was National Financial Literacy Month**, and to celebrate, one of our great **CLUB INSIDER Contributing Authors**, the man I affectionately call "**PROFESSOR WILL**," the one and only, **WILL PHILLIPS**, has written a very interesting article entitled, **Financial Literacy**, and I urge you to read it starting on **Page #20**. Welcome to our **new Contributing Author, DR. KEVIN STEELE**. Part I of his 2-part article entitled, **Driving Profitability**, appears on **Page #17**. Plus, **Susan K Bailey's TRACEY BOURDON** has provided a great article on **Member Retention** entitled, **Should I Stay Or Should I Go? - Member Retention In Your Club**. And, last but not least are articles from **JIM THOMAS** entitled, **What If You're Not A Natural Health Club Salesperson?**, and from the lovely, **LAURIE CINGLE**, long-time **CLUB INSIDER Contributing Author** who pitches in with her first **monthly column** entitled, **Programming for the FUN of it!**

•It was my pleasure attending **Augie's Bash** with my son, **JUSTIN**, in March at **IHRSA Las Vegas**. It was also our pleasure at the **Bash Dinner** to have met two young fellows I'm going to call "**The Stone Creek Boys**," **LARRY CONNER** and **MARVIN GREESE**, **General Manager** and **Assistant General Manager**, respectively, of **The Stone Creek Athletic Club & Spa** in **Covington, Louisiana**.



Norm Cates

After our enjoyable dinner conversations, my son, Justin, and I, thought it would be great to publish a cover story on this 4-year old club, and we have done so this month. By the way, check out the photos of this great club as **HERVEY LAVOIE** was the architect who put it all on paper first, and it's nothing short of **spectacular**.

•I wrote to him: "**You continue to amaze me!**" The party to whom I wrote that comment was the aforementioned "**PROFESSOR WILL PHILLIPS**. *This mountain climbing man is over 70, but you'd never know it as he's always going strong.* He wrote the following comments to me when emailing in his terrific article contribution this month entitled, **Financial Literacy**: "Hello Norm. This was written while at the first **REX Pan European Roundtable** meeting in **Rimini, Italy**. We (See Norm's Notes Page 7)

About Club Insider

Established in 1993

20 Years and Counting!

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PUBLISHER and EDITOR - Norm Cates, Jr.
ASSISTANT PUBLISHER - Justin Cates

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CLUB INSIDER
 P.O. Box 681241
 Marietta, GA 30068
 (O): (770) 635 - 7578
 (F): (678) 826 - 0933

www.clubinsideronline.com

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Thank You to Our Contributing Authors

- Rick Caro - President, Management Vision, Inc. - (212) 987 - 4300
- John McCarthy - 25-Year Executive Director of IHRSA
- Joe Moore - IHRSA President & CEO - (800) 228 - 4772
- Andy Graham - Founder, NEXT Fitness - andy@nextfitness.co
- Brenda Abdilla - Founder, Management Momentum - www.managementmomentum.net
- Bruce Carter - President, Optimal Design Systems International - (954) 385 - 9963
- Casey Conrad - Communications Consultants - (800) 725 - 6147
- Derek Barton - Owner, Barton Productions - derek@bartonproductions.com
- Donna Kreech - Founder and President, Thin & Healthy's Total Solutions - (419) 991 - 1223
- Dr. Cary Wing - Principal, CHW Global - caryhwing@aol.com
- Dr. Kevin Steele - Principal, Communication Consultants - kdstelephd@yahoo.com
- Greg Maurer - New Paradigm Partners - gmaurer@newparadigmpartners.com
- Jeffrey Keller - President, Independent Health Club Networking Association - Jeffrey_Keller@msn.com
- Jim Thomas - President, Fitness Management USA - (800) 929 - 2898
- Karen Woodard-Chavez - President, Premium Performance Training - Karen@karenwoodard.com
- Laurie Cingle - President, Laurie Cingle Consulting and Coaching - laurie@lauriecingle.com
- Maria Parella-Turco - COO, fitRewards! - map@newparadigmpartners.com
- MaryBeth Bradley - Marketing Coach, Susan K. Bailey Advertising - (877) - 749 - 2809
- Michael Grondahl - Founder of Planet Fitness
- Paul Richards - Owner of Club Physical, Auckland, New Zealand - PaulR@clubphysical.co.nz
- Ron Alterio - Northeast Regional Director of Sales, Visual Fitness Planner - ron@myvfp.com
- Thomas Plummer - National Fitness Business Alliance - (800) 726 - 3506
- Tracey Bourdon - Susan K. Bailey Marketing & Design - (888) 349 - 4594
- Will Phillips - Roundtables for Executives - Will@REXRountables.com



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...“Insider Speaks”

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bit redundant by going back to some fundamental thoughts I presented in our TRUST Special Edition from August 2009. But, I've repeated a little bit of my writing on TRUST here with a few new wrinkles... Haha... wrinkles from an older age, if you will. Read on!

The phrase “What Do I Stand For?”

The phrase “What Do I Stand For?” clearly asks a question that I feel is very appropriate for you and me to ask

of ourselves.

But first, for this article, let me modify the lyric a bit to read: “**What Do We (Norm and Justin Cates, Publishers of CLUB INSIDER), Stand For?**”

We stand for a club industry that is: law abiding, on the up-and-up, ethical, honest and forthright in dealing with the millions and millions of customers who we are all very fortunate to have coming to our clubs for help in changing and improving their lives.

We stand for a club industry that has put aside the tricks of the past operators in our industry have used on consumers. Tricks such as:

•*Bait and Switch membership sales techniques where one price is quoted via a print ad, but when the prospect arrives and inquires about the published price, the sales consultant tells them “Sorry Sir, but we’ve already sold all of those low-priced memberships, but let me show you an even better deal!”*

•*Or, advertising that makes the consumer wince whenever they even consider looking at a club because of a long-standing mental image they have gotten from magazines and newspaper ads displaying hot-bodied women and muscle-headed guys in near naked poses of all kinds. Every time they think about visiting a club, they think again about those hot bodies and muscle-heads, and they just say to themselves, “Nah. That place is not for me because I need to lose weight before I could even walk in the door where all of those fit people are.” But, the truth is they have a false impression of today’s 21st century health and fitness club industry. Very false.*

•*Or, the use of the many decades’ old technique of wiring the sales offices so that the Sales Manager can sit comfortably in his office and listen in on the sales pitch. Then, when the salesman is failing to close the deal on his membership pitch, the eavesdropping manager goes into the salesman’s office and does a “Take Over,” also known as a “T.O.” to some industry veterans, in order to close the deal.*

•*Other tricks that pioneers in the history of our industry have used in the 1950s, ‘60s and ‘70s include such Trust-destroying ideas as setting up a Pre-sales Office in a shopping center space to sell memberships to a club that, going in, the supposed club owner/operator knows full well will never even exist, and then taking off in the middle of the night with all of the money after collecting as much as possible from as many people as possible in the community with the fake pre-sale. This, after many people actually TRUSTED the operator to build, open and operate a health club where they gave the operator their money.*

Excellent author, **Stuart Goldman**, one of our friends at Club Industry Magazine, reported on Steve Borghi as follows in April, 2012, and I quote Stuart: “The CEO of Blast Fitness is Steve Borghi, who has encountered numerous problems in the past involving Work Out World clubs (A separate chain of Work Out World clubs is based in Brick, N.J.). In August 2009, Borghi received a suspended 30-day jail sentence after pleading guilty to two misdemeanor violations of the New Hampshire Consumer Protection Act and pled guilty to two felony violations of the same statute on behalf of Downtown Fitness LLC, dba Work Out World, Laconia, NH, the *Laconia Daily Sun* reported at the time. The charges stemmed from a Work Out World club that had yet to open. The club was fined \$15,000.

Then, in December 2009, Borghi had difficulties with a Work Out World club that had yet to open in East Providence, RI. According to a report by TV station WPRI, Borghi did not register the club with the state of Rhode Island, nor did he get a permit to pre-sell memberships, even though he signed up close to 3,000 people. Borghi said at the time that he would refund the members.”

Other industry problems that keep consumers away from the front doors of many clubs include operating a facility where, in the free-weight area, and even on the selectorized machines, muscle-heads are allowed to get away with screaming at the top of their lungs while doing their reps, and then, once maxed out, slamming down the barbell, or the plate stack (See franchise industry leader, **Planet Fitness**, for their “Lunk Alarms” where management has the option and the responsibility to sound a loud alarm that is installed in Planet Fitness Centers everywhere, each and every time some meathead is screaming, or slamming barbells or dumbbells, onto the floor). Sound familiar?

Or, how about a new fitness center industry trick where EFT Dues are collected by operators with written agreements that allow the member to cancel a membership, but when the member does cancel, the club’s back office is set up and required to attempt to collect more money on the contract, even though the membership has been cancelled by the member. See Steve Borghi, *again*. Borghi has allegedly been involved in such back office activities according to the alleged events I repeat here from someone who was privy to Borghi’s Workout World back office activities.

On November 30, 2012, my source wrote, and I quote from this allegation:

“I had a Fitness Director who left the WOW near me and joined my team. He explained to me that WOW has created a piece of software for their EFT processing whereby members are charged an extra dollar to five dollars every once in a while. It may happen once per year per member, or more, but the plan is that it’s a small amount, and if they’re called on it by the member, they just apologize for the “error” and credit them.”

My same source continued his allegations by explaining: “They simply don’t process most terminations until the member makes a stink. Since they are dealing in \$9.99 monthly increments, they usually squeeze an extra \$10 to \$30 out of a deal as the member will give up on trying to collect the amount after they are finally terminated.”

So, what does CLUB INSIDER stand for? *We stand for an industry that builds TRUST with consumers in their communities by not doing things like those described above.*

(See “Insider Speaks” Page 8)

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...Norm's Notes

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are off to a great start! Six countries are participating, and our next meeting will have close to 12 countries and 15 clubs with one to 50 locations. Very exciting! - Will" Check out **Page #20**.

• **A little bird told me** that the **Oklahoma City market** is becoming *saturated* and *so full of different club brands* that long-time operators have been literally heading for the hills! My source tells me that Oklahoma City has seen the arrival of a bunch of new brands that had never been in Oklahoma before: **4 Fitness 19 Clubs**, **2 Planet Fitness Centers** (with more on the way), and he tells me that **LA Fitness** is now joining the fray which will add to the competition for the existing **8 Gold's Gyms and Gold's Gym Express Clubs** and **10 of the All American Gyms**, which has changed their brand after 25 years in business to: "**10-Gym**." I also learned that **LifeTime Fitness** came to **Tulsa, Oklahoma** but has not yet announced any locations planned for Oklahoma City. **Stay Tuned!**

• I wrote down a **Norm's Note** while driving the other day. It read, "I just can't tell y'all how proud I am that my son, **JUSTIN**, and I, can serve you every month! *Thanks to all* for subscribing to and reading **CLUB INSIDER!**"

• **JIM THOMAS** is a long-time, **Texas-based club consultant**, and a great **CLUB INSIDER Contributing Author** who works mighty hard, clearly has bright thoughts and many club business contacts. In response to an emailed memo to our **Contributing Authors** requesting any "**Scoops or Tips**" they might have, Jim wrote:

Hi Norm,

Great idea. I'm not sure how much of what I can provide is an actual "scoop" or even a "tip," but I can provide some random thoughts about what I see going on "*out there*."

1. For all the talk about more competitive marketplaces, the economy, lower prices, etc., I find the *biggest reasons that clubs struggle* (at least the ones I talk too) is that some owners simply *take their eye off the ball*. Or, at best, they are very slow to adapt.
2. Regular staff training is *not* the norm.
3. There are *just as many low-priced clubs worried about value clubs as there are value clubs worried about the low-priced model*.
4. There is an abundance of interest in acquiring clubs and opening new clubs. Buying, selling and developing is a regular thing.
5. The big guys might survey their members, but the independents we see are not familiar with Net Promoter Scores and

how to go about finding out.

6. *Owners that are committed to their business are having a lot of success*. It's a great time to be in the industry.

That's what comes to mind right now, I'm sure there is much more. Happy to discuss. Thanks Norm, Jim

Thanks to **JIM THOMAS**, and be sure to check out his article this month on **Page #21**, as I'm convinced it will help your membership sales staff! I also want all of you to *give some thought to the thought-stimulating comments* by Jim Thomas in this Note and provide me with your feedback. And, to all of you **CLUB INSIDER** readers out there, **I invite each of you to send in your own "Scoops" or "Tips"** to me at **Norm@clubinsideronline.com** so we can share what's going on in your part of the club world. And, to all of you who already provide "**Scoops**" and "**Tips**," I say **THANK YOU!** Stay tuned, folks!

• My friend, **FRANK O'ROURKE**, informs me that the **1st Annual 44 Fund Golf Tournament, Dinner and Auction**, which was created to raise funds for the children of the late **SCOTT DENNIS (MAX and TATUM)**, is set for **June 7 - 8th 2013** at the **Hidden Lakes Golf Club** in **Wichita, Kansas**, and then the Dinner and Auction will be held at the **Grand Ballroom** of the **Drury Plaza Hotel Broadview**. Dinner and golf reservations may be made by contacting **BROOK PHILLIPS** at **brook182@gmail.com** or **(316) 641 - 0584**. Also, special overnight rates are available through **1-800-Drury Inn (378 - 7946)**, or online via paypal at **donate@sd44fund.com**. Interested parties who can't attend the charity event can make contributions to **Equity Bank, c/o 44 Fund/Scott Dennis Foundation, 555 North Webb Road, Wichita KS, 67206**.

• **JOE HARRISON**, partner in **8 Gold's Gyms in Virginia and Wisconsin**, was named to the **Gold's Gym Franchise Association (GGFA) Executive Board**. Prior to his selection to the **GGFA Executive Board**, Harrison served on the **GGFA Board of Directors** for four years and participated in select committees. A 15-year industry veteran, and 10-year Gold's brand operator, his franchise group was awarded **Gold's Gym Franchise of the Year in 2010** and received the **President's Award in 2012**. **Best wishes to Joe in his new role!**

• **Industry veteran, ALAN COHEN**, is the **Founder and President of FitnessJobs.com**, and he recently wrote: "Landing a dream job in any market is tough. With unemployment averaging just under 8% nationwide, it can be a daunting task to find a job that provides career gratification and appropriate compensation. I welcome all new graduates to check out our niche job board: **www.FitnessJobs.com** and read our e-book entitled, **How to Land**

Your Dream Fitness Job - A Complete Guide to Finding Your Dream Job in the Health and Fitness Industry, before they begin their job search. To view the release on **PRWeb**, go to: **http://bit.ly/ZSMOuD**.

• **CLUB INSIDER Contributing Author, BRENDA ABDILLA**, has written and published a new book you should know about entitled, **What's Your Lane?** Brenda comments about her book: "This new book will provide career clarity for Moms who want to work a little, a lot, or not at all. I am so happy to announce that my career book for moms is finally published and available for purchase on

Amazon. My 'new baby' is in paperback, 140 pages and has lots of helpful exercises like 'going to the ugly' in stressful times, a division of labor assessment and the real **pros** and **cons** about each career lane. *What's Your Lane?* helps moms figure out what they really want without the noise of the outside world. The **Kindle Edition** will happen next." Folks, check out **www.WhatsYourLane.com**.

• The **National Fitness Business Alliance (NFBA)** has announced that it is being acquired by a Memphis-based investment group headed by **ROBERT CREECH**. (See *Norm's Notes Page 8*)

JLR Associates Announces the placement of

Herb Tanton Fitness Director HealthSport

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...Norm's Notes

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The group will reportedly invest **\$1.2 million into expansion. Congratulations to all involved!**

• **Congratulations to the folks at the Shadow Wood Country Club in Bonita, Florida**, where nearly 100 members recently participated in the club's 12th annual Italian Open Golf Tournament, Dinner and Auction, which raised more than **\$10,000** for the second-time beneficiary, **Make-A-Wish Foundation of Southwest Florida**, surpassing last

year's total by \$3,000. Event organizers said 100% of funds raised during the member-sponsored event were donated to help grant the wishes of terminally ill children for once-in-a-lifetime trips. The auction portion of the event generated the majority of the proceeds, with unique items including a signed helmet by this year's NFL Super Bowl champions, the Baltimore Ravens. Entertainment was provided by **Johnny T, a former member of The Mystics**, who also helped raise funds for the Make-A-Wish Foundation.

• **Congratulations to Susan K. Bailey Marketing & Design (SKB)**, our

good friends and long-time **CLUB INSIDER** advertisers, as **NEHRSA, The New England Health, Racquet and Sportsclub Association**, has named SKB as its "Advertiser of Record" Check out **SKB's TRACEY BOURDON's Article on Page #18** and the **SKB Ad on Page #19**.

• Now, let me close these **Norm's Notes for May** with this about **STEVE BORGHI** and his **Blast Fitness Club** activity. First, please realize that the **Page #3 "Insider Speaks"** article this month is about the health club industry reputation damage caused by bad actor club operators like **STEVE BORGHI of Blast Fitness**, and the others duly noted in that piece. I know *very well* that about **99.9% of you folks** in our industry are honest, ethical, law-abiding club owners and operators. The problem is that the **tiny .1%**, less than 1%, of club owners and operators out there who think it's okay to break laws and abuse customers. **They are ALSO DAMAGING the TRUST** you and the other club operators in your community have worked so hard to earn! Earning **TRUST** of the consumers in your community means doing things *ethically* and *legally*. However, as an *example of HOW TRUST is damaged*, check out **Page #24** where I've published an article from **KTVI TV Station in St. Louis**. You can **Google: Blast Fitness St. Louis**, and you will see the actual **TV Report on STEVE BORGHI's Blast Fitness closing down with no notice and even, allegedly by members shown on TV, continuing to collect money from the members after the club was closed**. Folks, this is what the "Insider Speaks" article that starts on **Page #3** is all about (just in case you haven't already read it). But, words are words. Really, in this instance, I would urge you to check out the TV Reports in the major St. Louis market (and in many other areas)

where such reporting is surely damaging the industry **TRUST** for all health clubs in the TV viewing region. So, go ahead, make my day, read it. I swear the best way for any of you to get a real look at this concept I wrote about in my "Insider Speaks" piece on damaging industry **TRUST** would be to **Google: Blast Fitness Maryland Heights, MO**. You will then see their lead in online article we've published on our **Page #24**.

• *Some folks* may not know that **CLUB INSIDER** is a **Paid Subscription-based Publication**. Are you a **Paid Subscriber**? If the words **PROMOTIONAL COPY** appear above your name and address on the cover of this month's edition, you are *not* a **Paid Subscriber**, and you are *not enjoying the full benefits of a Paid Subscription to CLUB INSIDER*. So, don't delay, subscribe today for just **\$89**, which gives you nine years of **CLUB INSIDER** (one year of new editions and eight years of archived editions) by going to **www.clubinsideronline.com/subscribe!**

• **God bless all of our troops, airmen and sailors and keep them safe. Congratulations and Welcome Home** to all of our troops who've served in **Afghanistan** and around the world. **God bless you and your family, your staff, your members and your club(s)**. **God bless those lost and those recovering from the Boston Bombing. God bless America!**

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

... "Insider Speaks"

continued from page 6

What Do YOU Stand For?

What Do YOU Stand For? Do you have any bad actors, i.e. club owners in your club community who regularly screw up the reputation of the club industry in the minds of your local consumers? How do you feel about someone hurting your club business with law-breaking, or bad ethics, when you work SO HARD in your community to build **TRUST** with them? If you hate the fact that this is happening, I sure don't blame you. If you are competing with a law-breaking, unethical club operator in your market, **CLUB INSIDER** would like to help. We would like to know about the slackers in your community. Please email me at **Norm@clubinsideronline.com** and give a brief description of what's happening where you are, along with your phone number, so I may call you.

Our goal in the beginning of **CLUB INSIDER** some 20 years ago was, as *it still*

is now, and as it will forever be, is to try to weed out the slackers, the unethical, law-breaking club operators in our industry by writing about them and spotlighting their negative industry activities in your community.

The truth is **YOU** have a *real* and *active* source for help if one of your competitors is hurting your club business with their down and dirty activities and behavior in your community. **That source? CLUB INSIDER. What Do YOU Stand For?**

(Norm Cates, Jr. is a 39-year veteran of the health, racquet and sportsclub industry. Cates is the Founder and Publisher of CLUB INSIDER, now in its 20th Year of publication. Cates was IHRSA's 1st President, and a Co-founder of the Association with Rick Caro and five others, in 1981. In 2001, IHRSA honored Cates with its DALE DIBBLE Distinguished Service Award, one of its highest honors. Cates may be reached by phone at 770 - 635 - 7578 or email at Norm@clubinsideronline.com)



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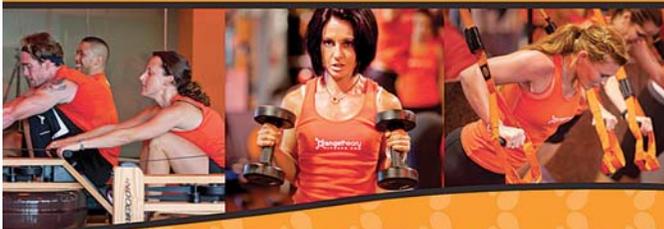


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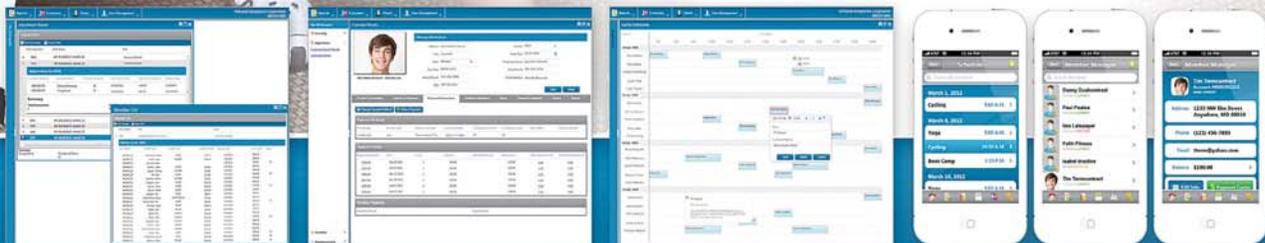
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...Stone Creek

continued from page 3

camaraderie that, for lack of a better term, *infects* every component of the club.

When you then infuse the modern mold of the club because it is a relatively new development, its absolute mission to provide the best service possible to retain members because of its small market and steep competition, a staff that has bought into the vision of leadership and constant community outreach and TRUST-building efforts, you have the ingredients necessary for a truly great and unique club operation that others can learn from. That is just what Stone Creek Club & Spa is, and I welcome you to read on as Larry and Marvin discuss their endeavor.

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

CLUB INSIDER (C.I.) - Where were you born and raised? Where did you go to school?

Larry Conner (LC) - I was born in Lafayette, Louisiana but was raised in the New Orleans area since I was five years old. I went to the University of New Orleans, earning my BS in Accounting in 1986, and I obtained my CPA license in 1991.

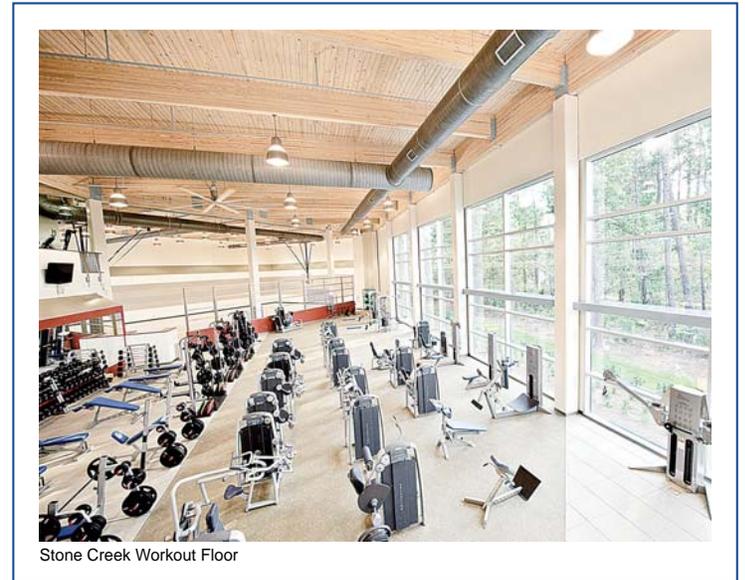
C.I. - When and how did you get started in the health and fitness club industry?

LC - While in high school and college, I worked in a local hotel in many positions (bellman, front desk, restaurant weekend manager, housekeeping supervisor, etc). I loved the service industry, but when I graduated college, I worked in a few accounting positions and then managed a local swim and tennis club. Later, I went to work for one of the member's oilfield service company as their Controller. After that, I realized I was missing the service industry. In 1990, Elmwood Fitness Center was looking for a CFO. They had a little over 5,000 members with 75,000 square

feet indoor. A Savings and Loan took over the club seven months prior from Healthcare International (held loan on club), and they wanted to keep the club and grow it. Two months later, the RTC took it over and put the club up for sale. Ochsner Medical Institutions purchased it approximately ten months later. They immediately designed a 75,000 square-foot outdoor component with a lap pool, resort pool, outdoor basketball court, outdoor sandlot volleyball courts and a poolside café and bar. They also built an 18,000 square-foot kids building with Kidsports and Gymnastics and also converted some of the inside space to Cardiac Rehab and Physical Therapy. During these early years, I was involved in all aspects of the club and developing it as we went, including policies, procedures, software needs, etc. The industry was very young, and there was not a lot to draw from. I loved the management side of the business. We grew the membership within a few years to over 15,000.

C.I. - When and how did you end up at Stone Creek Club & Spa?

LC - I went to manage Pelican Athletic Club (PAC) in Mandeville, Louisiana in 2003 because there was not a lot of growth potential at Elmwood at that time, and I wanted to go to a company that had intentions to grow. Then, in 2005, I left PAC to manage Franco's Athletic Club in Mandeville, Louisiana to help them grow their clubs. Hurricane Katrina hit in August 2005, took out one of their clubs in Lakeview and changed immediate plans for growth. I learned a lot from these club experiences and still stay in touch with these clubs today. All of this has been instrumental in getting me to where I am now. In early 2007, I was approached by owners of a local company that outgrew their current space on the South Shore of the New Orleans area and needed to relocate the company to the Covington area on the North Shore. They were building an



Stone Creek Workout Floor

office building to lease to their company and other tenants. It was a 4-story building with a conference center on ten acres. In addition to the office building, they wanted to build a high-end fitness center next door with over 52,000 indoor square feet and outdoor space containing twelve tennis courts, a lap pool, a resort pool and an event lawn in a resort-style setting. This was a \$52 million construction project.

In my initial meeting with them, they just wanted general information on what I thought of the floor plan, programming, etc. They had worked previously with a recreation consulting firm on this project. I met with them because a mutual friend asked me to. After speaking with them and giving general opinions, I realized this would be something I would want to do; design, build, and manage a high-end sports club. This is a very competitive area of New Orleans with a population of around 65,000 people with two clubs already serving over 27,000 members combined. The owners wanted to build more of a limited enrollment club with high-end service focusing on the individual in a setting with plenty of space. This was a very interesting concept that caught my attention. This club would have to be different to survive in this area and I felt that they were definitely on to something. I was hired, and along with my initial team, we then managed the construction process of the Office Building, Conference Center and Club.

C.I. - Who owns the Stone Creek Club & Spa?



STONE CREEK
CLUB & SPA

LC - They are owners of a local, private oil firm. When I met with the main owner for the first time, I immediately felt his passion for this project and that he was doing it for the right reasons. He wanted a club where the members and the employees were happy and proud to be there, and one that was a *true asset to the Community*.

C.I. - How did the company decide on Ohlson-Lavoie Collaborative for the design of the club?

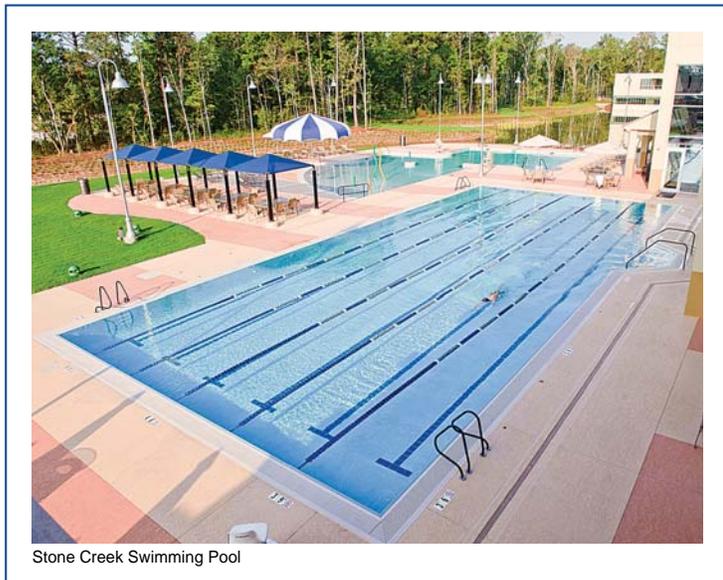
LC - The owners had already hired Ohlson-Lavoie, along with Steve Tharrett, who consulted on the project by the time we came on. It was a great decision.

C.I. - Did Stone Creek win any architectural awards?

LC - We were nominated for an award in 2010 in the Athletic Business showcase. At a national concrete convention, our contractor received an award from the ASCC's Decorative Concrete Council for the pool deck design.

C.I. - What are your primary responsibilities as General Manager?

LC - I am responsible for delivering on the vision the owners had for the club, a limited enrollment fitness and tennis club focusing on the individual in a resort-style atmosphere. Our tagline is: "*Your Everyday Getaway.*" In a very competitive market, having a club focused on the individual differentiates us. We do not have a summer camp, any daytime birthday parties by the pool, a swim team, etc... We could make a lot of money from these programs or services, but we feel it would go against our vision and core values. Clubs in this area already do a great job with these services, so we wanted the club to be one where people did not have to work around these programs for usage of their club. This differentiates us. I make the final decisions (acting as President/General Manager) on every aspect of club operations; human
(See Stone Creek Page 12)



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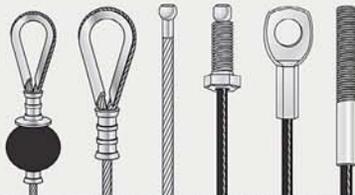
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resources, capital purchases, budgeting, marketing, programming, etc. The owners trust the entire operation to us with very little involvement except in major improvements as long as we follow their original vision. They use the club daily and will let us know if something is not the way they wanted it to be.

C.I. - Please tell us about the sharing of responsibilities with Marvin Gresse, Stone Creek's Assistant General Manager.

LC - I am from the accounting side, and Marvin, who has worked with me in every club since he was 16 years old, is incredible on the operations side. This combination complements each other. Stephanie Coulon, Sales and Marketing Manager, also started with me at 16 years old, working with us at two clubs. She was brought on from the very beginning at Stone Creek (she came up with the name Stone Creek) working with Marvin and myself in the design, build out, and startup phases of the club. We have all the business components covered. We all learned this business from the ground floor together and have been involved in all areas. All of our other managers here at Stone Creek have also worked with us at a previous club with the only exception being our Fitness Director, who is new to our team but has been at Stone Creek since opening. I have a Team I can count on. They know what to do and produce great results for our members!

One other thing I want to mention is that our most important asset here at Stone Creek is our **TEAM**. We have an incredible team of employees, and we could not have achieved what we have achieved without their work ethic and passion! We follow our *Take Care Principle* (See **Sidebar on This Page**). We tell our employees that, if you can only remember one thing (it's hard to memorize our Mission Statement, Core Values, etc.), remember *Take Care*.

Take care of each other, and take care of the members. The meaning behind each letter is important, but *Take Care* can stand alone.

C.I. - Please describe Stone Creek; total square-footage, amenities, services, etc.

LC - We have a 52,000 square-foot indoor club situated on 15 acres (25 acres total with the office building taking up the other 10 acres). We have a saltwater outdoor lap pool (heated in winter and chilled in summer), a saltwater zero-depth entry resort pool, event lawn, poolside tower bar, six hard tennis courts, six hydro clay courts and a practice court with hitting wall all situated in a natural wooded environment on the banks of a natural, wetland pond. Indoor components include a full service restaurant (pool and courtside wait service), childcare (indoor and outdoor play areas), a spa with nine treatment rooms, physical therapy, adult executive locker rooms, family locker rooms, 12,000 square feet of cardio and strength fitness areas, a basketball court and four studios (Group Fitness, Spinning, MindBody and Pilates Reformer). Adult locker rooms include a relaxation area, whirlpools, cold plunges, wet saunas, digital locks on all lockers, full amenities and full time locker room attendants who ensure that the locker rooms and shower areas are kept spotless. We keep floors dry and focus on cleanliness at all times. We also have fully-appointed family locker rooms. On our fitness floors, we have space between machines, and we provide dry and chilled towels as you work out. We bring the chilled towels to the members after each class, and we also deliver these chilled towels poolside and courtside on hot days. We have our Managers on Duty do rounds around the club at least every two hours checking on cleanliness, safety and service. This keeps us always looking and operating the way we should!

C.I. - What are some of Stone Creek's



Tennis Alley at Stone Creek

primary market differentiators?

LC - We have a resort atmosphere focusing on the individual in a limited enrollment club: "Your Everyday Getaway." We cater

to a professional, executive clientele, but kids love us too (48% of our memberships are families). We also offer a 30-day Money club: "Your Everyday Getaway." We cater (See **Stone Creek Page 14**)

Stone Creek Service Principle

Service is defined as the contribution to the wellness of others. You have to want to serve and be happy doing it. It is an innate desire and comes from the heart. Serving others is a noble profession, and this is **EVERYONE'S** duty here at Stone Creek.

Stone Creek's 'TAKE CARE' Principle

Teamwork - Be a team player. Work well with others. A good team gets noticed.

Attitude - Want to be here. Show a great attitude at all times. It's contagious.

Keep it Clean - A clean club is a successful club. Our Club should always look like it did when we first opened. Don't step over trash - Pick it up!

Everyone is the same. Treat everyone like you would like to be treated.

Cordial - Smile and greet people by name. Greet them before they speak to you. Make an effort to get to know names. Make eye contact when speaking with someone. Be genuine!

Always - Always do everything for the right reason. If in doubt about something, err on the side of the Customer. Customers always come first.

Right-of-Way - Step aside in hallways and walkways for a customer. Allow a customer to go ahead of you in line. Give them the Right-of-Way.

Extra - It's all about the *Lagniappe*. That little extra you do for a member, guest, fellow employee, or just in everything you do, makes all the difference.



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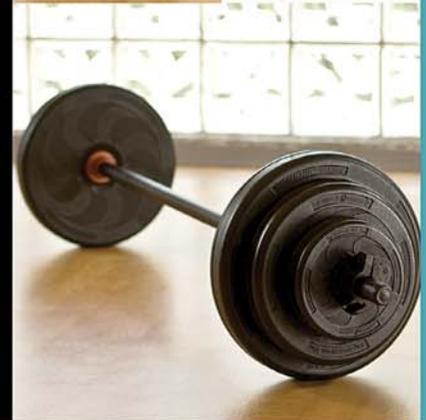
- ▶ Durable powder-coated steel construction
- ▶ Holds up to 24 sets of bars, collars and weights

THE COLLARS

- ▶ Quick release tab for convenient loading and unloading of the bar
- ▶ Will not scratch or damage the bar

THE 10 KG SIDE RACK

- ▶ Durable powder-coated steel construction
- ▶ Holds up to 8 of the 10 kg weights



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...Stone Creek

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Back Guarantee, and all memberships are month-to-month. Our month-to-month includes going from any type of membership to another (individual to couple or family or vice versa), and terminations are effective the first day of the next month. We try to make it a hassle-free environment and treat people the way we want to be treated. We have to deliver all the time. We also never discount our membership fees. The enrollment fee and dues are the same for everyone based on if the membership is an individual, couple or family membership. Fees are higher than other local clubs. The enrollment fee is \$550 - \$800, and monthly dues range from \$108 - \$207 plus sales tax. We wanted a club where we treat everyone the same no matter who they are or when they joined. We also pay our employees more or on the top end compared to other clubs and/or other hospitality industry positions. Most importantly, we treat them like we want to be treated. We have an incredible Team, and they are the reason for our success in every way!

C.I. - How many members and membership accounts does Stone Creek have?

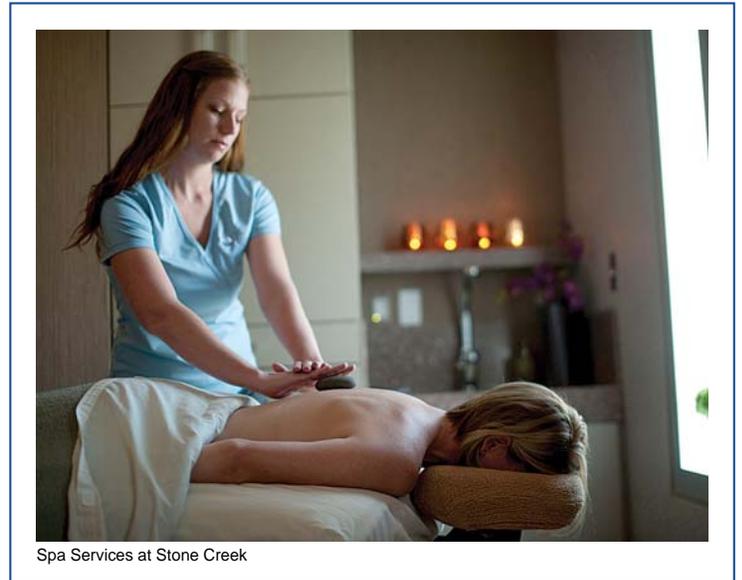
LC - We opened in June 2009 with 480 memberships. We now have over 1,600 memberships with 4,100 members. We have never had a negative net membership month since we opened. We are growing at an annual rate of 12 - 15% with annual revenues approaching \$6 million this year. We focus on keeping our members, which shows in our 14% annual attrition rate. Our local population is small, so we have to focus on retention.

C.I. - Please tell us about your charity and community activities.

LC - Before we opened, we approached a very well known local charity (Rich Mauti Cancer Fund), which has put on a very

popular local tennis tournament for over ten years. They had taken a break for a year, so we asked if they would consider bringing it back and having it at Stone Creek? They took a chance, and we put the first one on three months before we opened the club. We held it on 10 courts (2 were not finished), and the food and party was under tents in the parking lot. It was very successful, the best to that point raising over \$40,000 net for the charity. The Tournament has been awarded the Louisiana Tournament of the Year and Charity Tournament of the Year by the LTA. We have now put on four more, and this year's raised over \$70,000 net just last month.

We also put on our annual Twilight Run and poolside party for the Michael J. Fox Foundation for Parkinson's Research, which raised over \$51,000 net for them on April 19th. On April 20th, we had a party on our event lawn for ACCESS (a local charity which funds equipment needs for families with children with disabilities which insurance will not cover), which raised over \$35,000 net for them. We will close out our three months of giving back with these two upcoming events: An event on May 31st and June 1st (the Woods and Whites Tennis Gala for Hartley's Hearts, a charity that raises money for lifesaving heart surgeries for children who cannot normally afford this which is expected to raise over \$70,000 net for them). Then, our final event will be for the Wounded Warrior Project (WWP). We will line our street with 500, 3-foot American Flags from July 4th - July 7th, showing our Patriotism and Support for America's Heroes. We will have dedicated workouts, flag dedications and events raising over \$15,000 for the WWP. In these three months, we will have helped these charities raise over \$235,000 net. The club donates usage of the facility, employees' wages, some supplies, and in some cases, direct contributions to these charities. These are charities the club has adopted and will continue to work with,



Spa Services at Stone Creek

but we also contribute dollars to all local high schools, MDA, different community events and many other charities and school fundraisers.

C.I. - Please tell us about your IHRSA Las Vegas experience.

LC - It was a great show. I was inspired by keynote speaker Bert Jacobs' unique Halloween Fundraiser (pumpkin carving and party). After attending this, it made us think of what we could do to have this kind of impact, and we came up with a fundraiser for the Wounded Warrior Project (WWP), which I previously mentioned. Each of the flags lining our street can be purchased with a \$25 donation to the WWP, and a dedication can be written on a ribbon on the flag. We will fly the flags from July 4th - July 7th. It will have a great visual impact while financially helping a great cause! IHRSA is also a good time as usual to catch up with everyone since the last convention. Plus, it always allows our team to have some away time to make some decisions without the distractions of daily work. We also presented at the convention with a session called, *Manage by Example: Creating a Culture of Service Excellence*. It is very rewarding to be able to give back what we have experienced over the years. We are looking forward to next year!

C.I. - How does being a member of IHRSA affect Stone Creek and its service delivery to members?

LC - It keeps us informed all year long on what is going on out there. Plus, we do a

lot of catch-up at the convention on the latest trends, programs and services other clubs and operators are utilizing. We are also members of the REX Roundtables, and combined with IHRSA, any question we have on anything in our business can be answered through these contacts and relationships. These are great sources of information and great support groups when needed.

C.I. - Where do you hope to see Stone Creek go over the next five to ten years?

LC - We would like to perfect this model as best we can and duplicate it (or add to it) in another local market or surrounding our property. Maybe we can add new dimensions not presently thought of, which may add to or complement our services. Of course, we always want to provide the best member service possible!

An Interview With Marvin Gresse, Assistant General Manager of Stone Creek Club & Spa

CLUB INSIDER (C.I.) - Where were you born and raised? Where did you go to school?

Marvin Gresse (MG) - I was born and raised in the New Orleans Area. I attended L.S.U. and the University of New Orleans. I graduated from the University of New Orleans with a BS in Business Management.

C.I. - When and how did you get started in the health and fitness club industry?

MG - The fitness business is the only field I have worked in, and I love everything about it; the business, members, colleagues, suppliers, life-long relationships and the positive impact fitness has on an individual's life. I started at 16 years old at Elmwood Fitness Center, a 160,000 square-foot, hospital-owned facility, in a sports performance training center. I worked my way through all departments of the
 (See Stone Creek Page 16)



Luxurious Locker Room at Stone Creek



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...Stone Creek

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business, from fitness, pool maintenance, KidsSports kid's center, food and beverage, housekeeping, front desk, membership sales, manager on duty, satellite club manager, etc. I worked at Elmwood for ten years and learned invaluable lessons of our great industry during my time there. After graduating college, I moved to Pelican Athletic Club as Operations Manager for a year and a half. Then, I moved to Franco's Athletic Club as Director of Operations for three years.

C.I. - When and how did you end up at Stone Creek Club & Spa?

MG - We were approached by the owners and developers of Stone Creek to come on board during the design and development phase of the club. Having the privilege to work on the development, construction administration and Start Up Team of Stone Creek is a highlight of my 19 years in the Fitness Business. Larry has already talked about that, but I started January 1st, 2008.

C.I. - What are your responsibilities as

Assistant General Manager?

MG - I handle Special Events and Charitable Activities, day-to-day operations, capital purchases and club expansions (presently managing a half million-dollar building improvement campaign), long range planning with our Architectural firm, Ohlson Lavoie Collaborative, employee development and training, facilities, directly overseeing food and beverage operations and anything that can improve our member experience at Stone Creek.

C.I. - Please tell us about your IHRSA Las Vegas experience.

MG - IHRSA Las Vegas was a packed week with seminars, networking meetings with colleagues and trade show activity. We are under a half million-dollar renovation right now, so we had several equipment and service vendors to meet with. I felt like the entire week was high energy and full of excitement with the growth of our industry. An obvious highlight of the week was Augie's Bash and seeing Augie leg press at the Gala. The entire room was moved, and you could feel the positive energy!

C.I. - Please name some of your other key staff members, their duties and tenures.

MG - The club will be four years old on June 29, 2013. Considering this, all present managers have been with us since we opened. They are an incredible group of people to work with and each brings expertise in their field to the Club.

- Stephanie Coulon, Sales and Marketing Manager;
- Brett Custer, Tennis Director;
- Michelle Gelpi, Accounting Manager;
- John Villani, Maintenance/Housekeeping Director;
- Katie Santangelo, Spa/Member Service Desk Director;
- Shelly Minkin, Childcare Director;
- Erica Alexander, Fitness Director;
- Anthony Willis, Assistant Maintenance/Housekeeping Director;
- Sean Solomon, Kitchen Manager;
- Brittany Krause, Assistant Spa/Member Service Desk Director.

I would also like to note that our involvement and membership with REX Roundtables is an invaluable part of our career development and management

of the club. Larry and I have a greater understanding of all facets of our business working with the REX clubs. The resources and knowledge gained from REX is the best investment of our time to strengthen our industry involvement.

•••

Thank you very much to Larry and Marvin for their time and help with this story, and of course, their contribution to the industry. Thank you also to Stephanie Coulon for providing photos and graphics.

(Justin Cates is the President and Assistant Publisher of CLUB INSIDER and grew up in the health, racquet and sports club industry. Justin was born into a club business family in 1985, and from the age of eight, he spent his non-school and sports hours in a home which doubled as CLUB INSIDER Headquarters. He has lived and breathed this industry for 28 years, since his own day one. Now, he is an integral part of the "Story" of Norm Cates and CLUB INSIDER. Justin may be reached by phone at 770-595-6086 or email at Justin@clubinsideronline.com)

Driving Profitability Via Your Fitness Department

By: Dr. Kevin Steele

Part I

In the early years of our industry, and up until fairly recently, the majority of club owner/operators generated most all of their revenue through aggressive membership sales. The emphasis was on high volume, new member acquisition, and there were little to no programming or services provided. As our industry has evolved, successful club operators typically have a broad menu of products and services available in their portfolio. The current model is reflective of and driven by member requests and needs. Operating platforms are much more sophisticated, integrating high quality professional services and offering diverse, targeted product lines. Your programming and services should be in direct correlation to your facility culture, demographics and location. Many clubs try to be all things to all people.

When we look at current industry trends, we note:

1. Tough economic climate;
2. Hyper-competitive marketplace;
3. Flat consumer growth in fitness; and
4. Increases in small-box and low-price facilities.

There is no question that we need to leverage our skills, expertise and experience to maximize revenue and profitability. So, who is thriving and not just surviving in today's environment? Operators who have implemented programming to increase ancillary revenue streams, and are not completely dependent upon new membership sales, added creative marketing strategies and are diligently managing their expenses.

There are essentially three ways to drive revenue in the fitness industry:

1. Get more members/new member acquisition;
2. Get members to buy larger purchases;
3. Get members to buy more frequently.

Most club operators focus on #1, which is the most expensive and challenging. Getting your existing members to buy larger items more frequently is easier and much more cost effective because of the *relationship* and *trust* that your team has with them. There are many books written and seminars offered on membership sales. The focus of this article is on getting #2 and #3. I will touch on new member sales in some of the areas discussed below.

The four *pillars of profitability* that are driven by a solid fitness team are:

1. Personal Training/Specialty Group Training;
2. A Weight Loss Program;

3. A Medical/Healthcare Referral Program;
4. A Corporate/B2B Wellness Program.

These are all quantifiable, results-driven and nicely profitable if they are well designed and managed effectively. In Part I of this article, I will address two of these four pillars, **Personal Training/Specialty Group Training** and **A Weight Loss Program**, to demonstrate how they can individually or collectively add ancillary revenue to your facility.

Personal Training/ Specialty Group Training

As we know, most trainers don't enjoy the sales process, and because of this, they aren't great at selling their services. However, there are some *keys* to getting new clients whom you can integrate into your facility, the first being new client contests. Most all trainers are competitive, and if there are strong incentives in place, they will love the challenge and add many new clients. Have your trainers work the floor when not training their clients; this one sounds obvious, but I'm always amazed by how many facilities allow their trainers to do other things or worse, nothing. Trainers standing around are not productive. Have a client testimonial wall. Your members will always respond to their fellow members' successes, and these walls provide tangible examples of your trainer team's capabilities. Next, make sure that your employee culture supports interdepartmental referrals. Show them how working together will improve both sides of the equation. Finally, establish external referral programs to feed your personal trainers. These can be short-term, 60- or 90-day programs that you can upsell into one of your regular memberships.

Next are some strategies for larger purchases. Most all clubs sell personal training in packages. If you do, offer more incentive for larger packages and make sure that your trainer compensation plan is aligned so that it encourages them to do this. Offer specialty programs where successful outcomes are predicated upon multiple sessions per week for a specified timeframe; i.e. a weight loss program where the trainer meets with his client three times a week for 90 days. Another option is to bundle a nutrition component with multiple sessions per week.

Finally, there are trainers who work with special populations. Typically, these are medical-related issues, such as hypertension, diabetes, etc., where they also need multiple sessions per week to have significant outcomes. Here are some ways to increase the frequency of purchases made by your members. First, offer financial incentives to your members to renew/re-sign with their trainer. Give

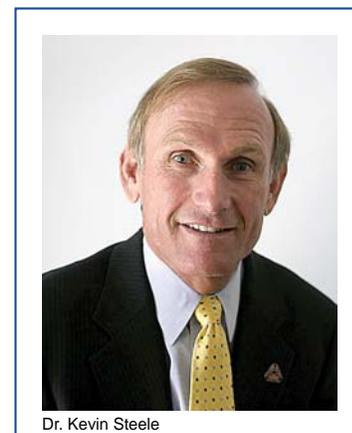
them a nice discount so that they feel good about multiple renewals. Next, trainers should provide consistent assessments at predetermined intervals to demonstrate objective results, which will motivate clients to re-sign. Another solid strategy is to have quarterly trainer contests that focus specifically on client renewals. Finally, educate your trainers on how to develop and maintain multidimensional relationships with their clients. Too many trainers only talk about themselves or the workout that they are providing, which often bores their clients and drives them away.

A Weight Loss Program

Most all facilities believe that they offer some form of weight loss program, but many club operators fail. Since approximately 85% of people joining clubs want to lose weight, if you want a successful program, it is important and necessary that you understand what works and why. Here are a few keys to getting new members with a well-designed weight loss program. First, and most important, offer a credible program that is based upon sound medical and scientific principles (many are not and provide poor results).

Next, offer this as a stand-alone, short-term membership that you can eventually up-sell into a full membership. You can also bundle a weight loss program into an existing membership or create another level. Establish a medical referral program with doctors in specialties that treat obesity and other metabolic related diseases, such as family practice, internal medicine and endocrinology. Dedicate a specific area of your testimonial wall to these clients to celebrate their achievements. Offer quarterly educational seminars on weight loss to both members and non-members. This will provide a non-threatening opportunity for them to learn about your program and meet your team.

Next are some strategies for larger purchases once you have them in your weight loss program. The first is to bundle weight loss products into this program, such as bars, shakes, home exercise equipment, etc. A family add-on is a strong option, and it is important to help assure their success at home and in many social situations. Another option is to include email and phone support. These can also be services provided for an additional fee. Personal shopping experiences and cooking classes are also great add-ons if you have the team that has the appropriate experience and expertise, plus the space capable of delivering them. Finally, after they achieve their target weight, you can move them into your weight maintenance programs, which are an extension of the program that they started, and this



Dr. Kevin Steele

provides them with a nice comfortable and seamless transition.

Some keys to frequency of purchases for this program include: Run special program discounts on high quality, proven products that support and reinforce your program. Offer a "buddy referral" component that provides participants with incentives. People feel more comfortable committing to losing weight with a family member or friend. Provide weekly participant group meetings where they can share their accomplishments and challenges with others in your program. These are often viewed as safe environments that give additional support and motivation. Finally, have seasonal marketing campaigns that highlight the benefits of being healthy during specific times of the year. But, remember, the messaging must be distinctly different than typical club marketing and much more sensitive to the special needs/perceptions of this population.

Most likely, you have a personal training program. You may also have a weight loss program. But, for them to be truly successful and profitable, you need to have a solid operating strategy that includes a strong team that executes well every day. In Part II of this article coming soon in the **May Edition of CLUB INSIDER**, I will discuss the other two pillars of profitability: **A Medical/Healthcare Referral Program** and **A Corporate/B2B Wellness Program**.

(Kevin D. Steele, Ph.D has been in the health and fitness industry for the past 25 years. He has held senior management positions in three of the largest health club organizations in the world. He is currently a Principal of Communication Consultants working with health and fitness centers worldwide. Dr. Steele Chairs several Advisory Boards for fitness industry organizations. He has a B.S. in Sports Medicine/PE and a Ph.D in Exercise Physiology with a sub-specialty in Nutrition.)

Should I Stay Or Should I Go?

Member Retention In Your Club

By: Tracey Bourdon

At times, it seems that for any club, even their best members can start to lose their motivation. They visit the club less and less frequently, and to your horror, they may even cancel their membership. What has happened to them? Perhaps if we can begin to understand this gradual decline in their participation, we will be able to prevent it from happening. There are reasons why the member joined in the first place and just as many reasons they choose to leave. In most situations, if you have a strong member retention program in place, they can be encouraged to stay.

Why Do Members Join Fitness Clubs?

Members more frequently give the following two reasons for joining a health club:

1. To stay healthy and stay in shape.
2. Approximately half (49%) join to lose weight.

(Source: IHRSA Trend Report).

The first questions you should ask are: Is the member's reason for joining being fulfilled? Are their expectations being met, and more to the point, being exceeded?

The second question: Are we giving them a good reason to stay?

How are your members' value meters working? You may have heard that it is easier to keep an existing member than to find a new one. In fact, you have to work just as hard at retaining existing members as you do at attracting prospects. So what exactly keeps a member interested in being a member at your club? If his attendance is declining, he is obviously ceasing to find value in coming to the club. From a personal perspective, he may feel he is not achieving anticipated results. Ultimately, this loss of perceived personal value translates into a perceived waste of money, and he abandons their membership.

Jumping ship - Keeping members on board in the face of competition relies on the quality of the relationship you have built with them. That includes keeping the rest of your house in order, too: the condition of facilities and the caliber of services. It also relies on how well you know your competitors: How do you stack up against them in the marketplace, and how do you rank in a competitive situation? Staying aware and evaluating your competition

on a regular basis is a key element of maintaining your edge. It involves having the confidence to know what you do best and doing it and also knowing whether or not to adjust your strategies to compete with factors such as price structure. If you have a well-constructed business and marketing plan in place, it is usually better to 'stick to your guns' and maintain it.

Do as you would be done by - Does your club have a good team of employees? Just as in any business, the quality of your staff and how fully they are engaged in the club will reflect and impact on the members. Just as the club should motivate its employees to succeed, so should it motivate its members. Set a good example, and the resulting ambitious, positive and supportive atmosphere will be contagious. Members should feel encouraged to participate and bring forward their ideas to make a difference. The return for their input will be a valuable contribution to your club business and the potential to secure a committed member for a long time to come.

Offer fresh ideas - Fresh, new programs that support your profit centers, like group training (e.g. 3 months for \$X), specialty (e.g. yoga, Zumba) and nutrition (weight loss) programs that are results-driven will engage members. Member participation in these programs will encourage a regular pattern of exercise behavior and attendance at the club, making it easy for them to be invested in the club, which naturally leads to greater membership longevity.

All about the member - From the beginning, develop a member-centric marketing initiative. Members should receive regular communications from you right from the beginning, including special offers, nutritional recipes, new program announcements and a rewards program. Keep it short and sweet. For instance, a punch card where a member is rewarded for achieving 20 workouts in 30 days. The incentives can be simple, focusing on club programs, signature products and services. A well displayed, in-club campaign will support the program and provide a positive message that also resonates with prospects touring the club.

If your members are keen and interested, take every advantage of their excitement by inviting them to refer their friends and family to the club. Another opportunity to keep members passionate about exercising is an offer to help them to amplify their results and with a special

promotion that will also boost your profit centers such as specialty classes, nutrition and training programs.

A follow-up phone call from the club (preferably in-person) can make a significant difference to the member buy-in you achieve.

Breeding loyalty - Make constant connections with members that inform, inspire and reward them. Send them emails on a regular basis. Make sure the messages are personalized and make the member feel special and important. Keep the messages simple and interesting, with plenty of "what's-in-it-for-me" news, "what's new" club updates, photos and exclusive members-only offers. When asking for a referral, offer something of real value to show your appreciation, like a \$100 coupon for club services or a limited-time discounted membership for a family member or friend.

Align your club with a charity or local sports or community effort and get your members involved with a great cause and an empowering opportunity to "give back" through their participation. It is great visibility for your club and instills a great sense of pride for your member.

The following Top 20 is a summary of things your club can be doing to engage and retain your members:

Top 20 Tips For Retaining Members

1. Give existing members a discount on membership or services, even if it's just for the short term.
2. Have your employees wear a personal nametag with a standard greeting message. For example: "Joe Smith welcomes you to the club!"
3. Stay alert to trends that might impact your members and the services you can offer them. Tell them about it!
4. Read market research studies about the club industry. Communicate what you learn!
5. Collect competitors' ads and visit their website; study them for information about strategy and compare the benefits they offer.
6. Ask members why they joined and invite their suggestions for any improvement in the experience. Listen!
7. Ask former members why they left



Tracey Bourdon

you. Listen!

8. Create a new service, technique or product you can offer to members. Be excited. Shout about it!

9. Redefine an existing product or service. Make it simpler, less expensive, smaller, or do the opposite, but in either case, update your services. Be excited. Shout about it!

10. *Reward* your members for everything they do from frequent workouts to referring friends and family. Programs using club bucks, retail, profit centers, proprietary programs and apps like Perx Advantage that works with the local business community to create a win-win scenario for the club, members and local businesses. Recognize them!

11. Ask your members to come back again soon. Find a way to give them a reason to do so!

12. Set up an email system to quickly and easily respond to member inquiries.

13. Ask members what you can do to help them.

14. Create an interactive forum on your website specifically for your members to connect and share ideas. Let them know where to find it!

15. Host a Member Appreciation Party once a month.

16. Develop ongoing in-house campaigns that have some moxie, like frequent exerciser rewards programs and challenges that generate excitement within the club.

(See Tracey Bourdon Page 19)

You did what!



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...Tracey Bourdon
continued from page 18

17. Be a good citizen. Sponsor or host a special event or open house at the club in cooperation with a local non-profit organization or charity. Describe how the organization helped you. Volunteer to donate time or services.

18. Share the club's successes and other member's successes with your membership. Be outstanding!

19. Send handwritten thank you notes. Just because!

20. Practice "Random Acts of Kindness" or "Pay It Forward." The element of surprise, rather than planned member appreciation events will be incredibly valuable. Make your members happy!

(Tracey Bourdon, of Susan K Bailey Marketing & Design can be reached at 888 - 349 - 4594. To learn more, go to www.susankbaileymarketing.com)

Make It Fun!

Financial Literacy

By: Will Phillips

April was Financial Literacy Month. Good timing! More than ever, government, businesses and families are suffering from financial illiteracy. Too often, we abdicate financial decisions to others. Too often, we do not understand financial decisions because we are financially illiterate. And *then*, the trouble starts. Delegating financial decisions to one person may be convenient, but in tough times, one is not enough.

Business is like a game with winners and losers. Winning is easier if everyone on the team knows the score and is moving in the right direction, helping one another and being committed to winning. A simple and effective method for achieving all these goals is called Open Book Management, which increases everyone's financial literacy or **understanding of the numbers and how their daily actions impacts the numbers.**

Do You Like To Lose?

"Do you like to lose? Do your employees like to lose?" Of course not. We all like to win. We all like to see our team win. Well, let's look at business as a game. Winning means the business grows, is profitable, is a great place to work and serves its customers and its community well. That's *winning!*

The first thing you want to know when you see a game being played is "Who is winning? By how much? What are they doing that works so well?" These are the same questions every employee asks in a financially literate company. No longer is it just the owner who wants to win. Now, everyone not only wants to win, but is encouraged and enabled to contribute to the winning. When this transformation occurs, employees with jobs become team players with skills and commitment. Work gets to be *fun, challenging and meaningful.* Three of the top motivators. Learning to play the great game of business begins

with everyone knowing what the score is.

What Is Business Literacy?

Business literacy means your staff has a good understanding of how all the parts of the business interact and come together to achieve success. It means they understand how their daily decisions and actions impact the revenue, profit and value of your business. When a person is financially literate in his business, he has the best framework for deciding what is important, what is not, where to focus his energy, how to behave and make all decisions.

The opposite of business literacy is being a *zombie*. A zombie is a person who comes to work and has no idea where the organization is heading or what its goals are or why the business even exists. A zombie believes his job is to show up, not make waves, be compliant, follow the rules and do what the boss says. Rarely does a zombie use his brain or make significant contributions. He makes decisions that frustrate the owner. Zombies are along for the ride.

Why Share The Numbers?

When staff are trusted with the numbers and helped to understand them, employees become businesspeople. They start to make decisions like an owner. They become a business person who considers multiple factors before making a decision. The *net* result is *wiser decisions.*

When employees understand how their behavior impacts revenue, profit and the value of the business, waste and error decline, problems get solved and their contribution to overall performance goes up. In summary, hundreds of businesses that have seriously adopted an Open Book Management, or business literacy philosophy, report these benefits:

1. Develops employees into business thinkers;
2. Builds focus and commitment to goals;

3. Morale is consistently improved;
4. Nurture to growth of individual responsibility by all;
5. Deliver on goals more consistently;
6. Work becomes more fun;
7. Delegation becomes possible;
8. Higher performance in revenue, lower costs and greater profits.

Elements Of Open Book Management

Open the books and share the numbers. This does not mean pass out your financial reports. Doing so would produce no benefits. It does mean begin with a simplified income and expense statement that *focuses on items employees can control.* Such a report might contain eight to twenty lines.

Understanding the numbers comes next. What do they mean? How is my work related to them? The goal is that every department and every employee understands how they contribute to revenue, costs and profit. This takes about two years of regular reviews of the numbers for most employees to really understand them.

Use the understanding to drive the numbers in the right direction. This requires a certain amount of delegation plus some training in problem solving and process improvement for the best benefits.

Getting Started

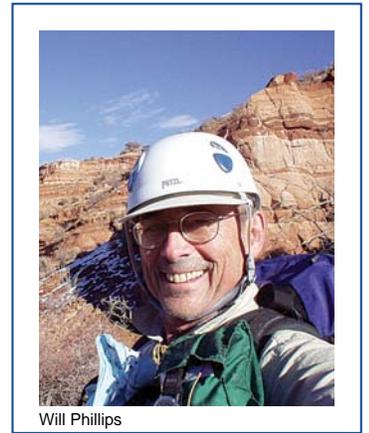
Everyone likes to know the score. Sharing how the business is doing with the Key Performance Indicators is a good start. This would be 3 - 6 key numbers indicating the overall health and progress of the business shared monthly. As employees begin to grasp the meaning of the numbers, you can begin the search for how their behavior impacts the numbers.

Experience has shown that your accountant or bookkeeper may be the least able to help others understand the numbers. Accountants were trained to account, not teach. When helping staff to understand the numbers, use these guidelines:

1. Never lecture more than five minutes without engaging the staff for an equal time.
2. Use twice as many questions as statements.
3. Have fun, play games.

Some Useful Financial Literacy Tools

1. **Simplified Financial Statements** - Begin with income and expense statements which reflect the basic dynamics of the business that employees can control. Eliminate those areas which employees do



Will Phillips

not control, such as depreciation, taxes and outside investments. Something like the following is a good start.

2. Personalize The Numbers - A. Identify a personal experience that defines, or is an analogy for, each category on your financial statements. For instance, gross income or revenue equals salary, rent equals rent and paying off credit cards is like paying down debt.

B. Place the names of all those responsible for a column or line on a financial statement next to that statement. For instance, all sales persons' names would appear next to the revenue line; names of all employees in the warehouse would appear next to the labor expense for the warehouse. Don't use the department name. That depersonalizes the numbers and appears to put responsibility for the numbers on the department head.

C. Help people learn how to budget their own finances and how to save for the future. This will not only help them manage their personal lives better, it will help them understand the business budget and saving for the future. Consider the system described in *Your Money or Your Life* by Joe Dominguez, a recent NY Times bestseller. This system introduces value-based budgeting which is parallel to setting your business budget based on your business goals and strategies.

3. Line Of Sight From Daily Work To The Big Numbers - Connect the daily work done to the small numbers which the daily work produces. Then, connect the small numbers to the big numbers which appear on the financial statements. Connect the big numbers to the critical business ratios for your industry. The goal here is for every employee to understand
(See Will Phillips Page 21)

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 ROUNDTABLES FOR EXECUTIVES

What If You Are Not A Natural Health Club Salesperson?

By: Jim Thomas

I've always thought that one of my greatest assets when it comes to training health club salespeople is the fact that I was terrible at it when I first started. Nothing came natural. I had to learn it.

If you truly want to become a good (even great) health club salesperson, and it doesn't seem to come natural, I would like to offer a few things I've learned along the way that will help make a difference for you:

1. Know Your Club. Work Out In Your Club. Use every piece of equipment. Take every class. Tan. Eat at the café. While you want to sell benefits, results and outcomes, prospects are always impressed by a membership representative that cares enough to know everything they can about their health club. Do you have an understanding of the member experience?

2. Know Your Competitors. Take the time to know who the competition is in your market. Be aware of the pros and cons of your health club. You never want to make a membership sale based on the flaws of other gyms in your area. The best way to do this is to speak respectfully about the competition, but then point out how your health club provides the *better value*. I suggest having testimonials from happy members and examples to show your prospect.

3. Consultative Selling. In this approach, as a consultant, you help identify the needs and desired outcomes of your prospect and then suggest solutions that meet those needs. Stay focused on the needs of your prospect and not your desire to get a sale. The best advice? Help enough people in the world get what they want, and you'll get what you want.

4. Be Prepared. In this tip, the majority of the work happens *BEFORE* you meet your prospect. Never practice on the paying customer. Role-play the club tour. If needed, create a "cheat-sheet," so you're sure to ask all the necessary questions. Practice every day. Become a student of sales.

5. Ask Questions. Don't fall in the trap of talk-talk-talk and tell-tell-tell. If you overwhelm your prospect with information, you'll most certainly help create objections. Your job is to probe and find out as much about your prospect as you can to help properly guide them in the decision-making process and remove any obstacles that might prevent them from getting the results they seek.

6. Dealing With Objections. No matter what, your prospect will likely have objections to getting started today. The key here is to sell them what they came in for. Explain why their goals are important, how they will accomplish desired outcomes

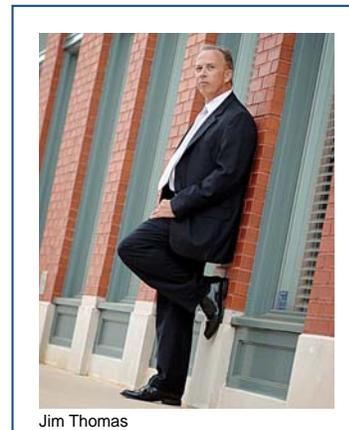
and don't find yourself opening the door to other objections that will delay the decision-making process.

7. Choose To Be Coachable. Have an open mind about learning and be willing to step out of your comfort zone. This is the first thing I look for when hiring someone for membership sales.

8. Have A Winning Attitude. What I mean here is look for solutions; don't just define what's wrong. Have a passion. Have urgency in how you do things.

9. Don't Prejudge. We see this frequently. The definition of prejudging is thinking you know what the outcome will be before you even get started. The job description is to have a winning attitude and follow the system. One of the traps we fall into is the desire to provide good service, and we find ourselves giving up key steps of the sales process.

10. Be Honest With Yourself. You must choose to be accountable. If you want to change others, you must first change yourself. Don't find yourself blaming



Jim Thomas

circumstances for any struggles. *Make it happen!* It all starts with *you*. Along the way, you'll need stamina, resilience and a willingness to change rapidly.

Now, give it a try, you just might be a natural!

(Jim Thomas is President of Fitness Management USA and can be reached at 800-929-2898)

Make It Fun!

...Will Phillips

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how what they do on a daily basis directly leads to the generation of the numbers. If employees do not understand this, they have no way of impacting the numbers. For example, in our business, 25 sales calls lead to five sales appointments which lead to two sales appointments, and the average sale is worth \$420 of revenue. Thus 25 calls lead to \$840 of revenue.

A leader urging a company to better sales or better cost reduction is a bit like the Little League coach who tells the child at bat to "hit the ball." This is not helpful information. It gives no guidance on what to do.

4. Fun and Interactive - Make learning and playing the game of business fun and interactive:

- Guess the numbers before the monthly report is handed out. Have a pool with a payoff.
- Play 100 questions like a game show (See the following questions).
- Take a fake dollar bill and cut off slices equivalent to all your costs to show what

percent of the dollar ends up as profit.

- Have different departments put on skits for employees which explain profit, receivables by using a TV show as a template, e.g. "As the Receivables Turn."
- Give small but pleasing prizes for the winners: Dinner for two at XYZ restaurant or a pair of tickets to a sporting event.

5. 100 Questions - Employees cannot act responsibly unless they understand the business. To increase their Business Literacy, employee education is essential. Choose 100 questions about your business that, if an employee answers correctly, would tell you that person really understood your business.

Now, use the questions to have fun. Give everyone the questions and have each department come up with their answers. Bring the huddles together to share and justify their answers and settle on the correct answers. Then, announce the first 100 Question Game. It could be like Jeopardy or baseball where each question is a pitch and each wrong answer an out. Each correct answer is a base. Or, put the department head on the seat of a dunk tank and have the staff in that department answer the questions. The point is to have

fun and learn the answers. Whenever a wrong answer occurs, take time to explore. It is a teachable moment.

Compose 100 questions, which, if answered correctly, would indicate the employee understands:

- The important definitions, concepts and relationships of your business;
- How the company's behavior impacts each business goal;
- How his or her work unit impacts each business goal;
- How his or her personal behavior impacts each business goal.

What questions would you ask to test an employee's understanding of your business?

Resources:

- The starter book is *The Great Game of Business* by Jack Stack. This is a down to earth story of how a few committed employees saved a business using financial literacy. The book will excite you and enable you to get even more comfortable with the idea of sharing the numbers with employees.

•When financial literacy was discovered by INC Magazine, they did a great deal to get the word out about a powerful, simple management method that did not require lots of consultants or experts to install and run. John Case, an INC writer, then produced *Open Book Management*, which jumps right into the tools and practice of financial literacy and how to do it.

•Finally, we have *The Great Game*, an offshoot of Jack Stack's original business that runs an annual conference in St. Louis for all financial literacy enthusiasts. Many REX Roundtable member businesses have regularly attended this conference with great benefits. You will have lots of practical seminars and workshops on financial literacy details and specifics mostly delivered by CEOs, managers and supervisors of real companies practicing financial literacy. I'd say this conference is a *must* if you are serious about financial literacy. And, you will get great benefit taking your whole management team.

(Will Phillips is the Founder and President of REX Round Tables for Executives and may be reached at Will@RexRoundtables.com)

How to Find Three Extra Hours Every Day: *Permanently Eliminate the Words, "I Don't Have Enough Time."*

By: Donna Krech

"Where did the day go?" "I need more hours in a day!" "I'm meeting myself coming and going!" "I just want time to do the things I want to do!!!" If you're like most people, you can relate whole-heartedly to at least one of those statements. Why? Because too many of us have arranged our world (unknowingly, of course) to be one where our time controls us rather than where we control our time. The good news is you can change that. This article offers you the steps on where to start.

Time management (or the lack thereof) has a HUGE impact on our lives, our health and especially our success. If we are crunched for time, we feel rushed and stressed out. Then, we make poor choices about eating, drinking, sleeping, exercising and even spending, not to mention the suffering felt by family and friends when we don't share quality time with them. Those poor choices also damage our businesses when we take out our stress on our team. The result in all of those cases is *VERY costly*. One results in hurting our personal relationships, and one results in lack of business production, all because of the stress we feel due to being rushed or "out of time." Did you know stress can even cause your body to hold onto belly fat!? But, when we invest our time in activities that are truly moving us towards our goals, the benefits are amazing.

I own multiple companies; one is a fitness facility (yes, we actually *own* and *operate* a gym), and one provides systems to help gyms have the success we've had. We own a vitamin, herb and natural foods store, and I speak globally, write and record training products, produce TV shows, publish a magazine and do interviews regularly. We own three homes; my husband and I have five children and five grandchildren. I get what it means to be busy! This information has helped my team and me. Now, it's your turn.

The ability to gain 1-3 hours of productive time each day can translate into 7-21 hours a week, 30-90 hours a month, and 360-1,180 hours a year. You can gain up to 27 weeks by consistently using effective time management techniques! This can be work time, time for investing in your growth, time relaxing or time spent with loved ones. You have to know what's important to you in order to determine how you would invest any newfound free time you might uncover as you start to get very focused on achieving your goals. What will you do with the time when you learn how to find three more hours every day?

Looking at your *priorities* and *values* is the best way to determine how to begin to manage your time. These priorities are often birthed out of necessity, related to family or club obligations or having to overcome a major challenge or setback. The priorities may be based on a goal you want to achieve that will propel you forward or may stem from wanting to create as much richness and fullness in your life as possible.

Nearly everyone feels short on time and stressed out. But, successful people have learned the secrets of time management and figured out how to invest their time for a good return, rather than spend it away. They know what's really happening when we *think* we're *managing our time*, and they have eliminated the worn-out feeling of not having enough time. Maybe most importantly, they know how to say "NO" to low-priority activities that put their goals on hold.

Here are four questions that will begin to help you find more time immediately. These successful folks have asked themselves hard questions like:

- "How do I waste time?"
- "Do I spend enough time on activities that are truly important to me?"
- "What gets in the way of including those activities in my schedule?"
- "How can I stop wasting time and start investing it wisely?"

They have also asked themselves fun, dream-building questions like:

- "What activities could I devote time to that would fulfill me?"
- "How can I make more time for my priorities?"
- "If I had nine more weeks in every year, what would I do with them?"

Anyone can do this. Each of us has 24 hours in a day to work with. So, why are some of us achieving our dreams and ambitions with time to spare, while the rest of us are running around in circles just trying to keep up with daily tasks?

The movie *50 First Dates* teaches us a valuable lesson about that. In the movie, Adam Sandler's character falls for a woman who has severe amnesia and can only remember 24 hours at a time. Every day, he comes up with new ways to meet and talk with her, always like it's the first time, with the objective of getting her to fall in love with him all over again. But, eventually, he discovers a way to explain to her about their relationship and fit all the memories they've shared

together into one day. Now, that's effective time management!

The valuable lesson in the movie is that each of us lives one 24-hour day at a time, and we need to make decisions that move us closer to having the life we want to have and being the person we want to be. You must schedule your priorities to get done first because they are the most important activities you can take to achieve your goals, but without letting your daily tasks fall by the wayside.

Many of us deal with distractions while we're trying to get work done. One of the greatest distractions is "multitasking." We are taught that multitasking is a way of getting two or more things done at once, and sometimes it is, like when we exercise during TV commercials, or when we drop off our dry cleaning on the way to a meeting.

We think we're being efficient when we work on two or more things at once, such as checking email while talking on the phone. But, that kind of multitasking is distracting and leads to spending more time on both tasks than you would spend if you focused on each task individually and without distractions.

Learning when to multitask and when not to, along with employing other efficient work practices, could give you up to two more hours each day. I regularly teach people how delegating saves you time and energy; I share six ways to work smarter and accomplish more in less time and ten ways to gain two hours in each day. After discovering this valuable info, you'll be able to develop laser-like focus to get work done faster.

Part of the problem with multitasking is that you can actually end up wasting time switching back and forth from task to task. Did you know that each time you get interrupted, it takes your brain a full 15 minutes to get back into that "groove" you were in before the interruption? If you get interrupted four times in one day, that's an entire hour wasted! When we figure out how to eliminate time wasters, we exceed beyond our wildest imaginings.

Everyone gets new tasks thrown at them every day, and we are tempted to put off important goals in order to get those daily tasks done. The ironic thing is that even though we always seem to be busy, we usually have time for unimportant things like watching TV, talking on the phone for hours or surfing the Internet.

Highly successful people learn to prioritize their time and stay focused so they get important things done and have more time for the good things in life, like family and recreation. They know



Donna Krech

the top three time wasters and how to beat them. They have learned why many urgent matters *don't* require their time and attention; therefore, they stay out of crisis mode.

Get a grip on your schedule by taking inventory of your time with a Time Study. Basically, you record every single task you do each time you change a task. You might be surprised to find out how many times an hour you switch tasks, or maybe you'll be shocked to find out that a specific task takes much longer than you thought. I have a worksheet to help you do a Time Study, so please contact info@donnakrech.com if you want that tool.

Lots of different time management tools are available to help you achieve your goals. You can escape the habit of responding only to urgent matters and discover the key to long-term accomplishments. The way we do this in my company is with Time Chunking. Email me if you want access to free audio that explains how it works, and I'll also give you the necessary tools to make Time Chunking work for you! It will help you improve your work habits so you can save time and be more productive.

(Donna Krech is the Founder and owner of *Thin&Healthy Total Solutions* and can be reached at info@donnakrech.com)

**Make
It Fun!**

advice, etc.

How To Easily Increase Your EFT Exponentially In Only 6 Days

Last year our growth tapered off in the last quarter. I knew going into the next year we would be looking at the same thing unless we did something different.

I'm always reading what IRHSA and Club Industry put out so I can learn and grow the business. I read the articles about Total Solution, and saw how clubs that implemented the program and the systems have grown their EFT bases. That is a challenge for all clubs and it's exactly what we were looking to accomplish. We sign up just as many people as are quitting, so it definitely caught my eye right away.

We are a very productive business, we have many different profit centers, and we're maxed out with our time, but I couldn't shake the feeling I got when I read about what Thin&Healthy's Total Solution (THTS) was

doing for clubs and their members. I became really passionate about it.

I shared it with the club owner but he thought our plate was full at the time, so I put it on the shelf. There was also the thought, "Sounds too good to be true." But I just couldn't shake the feeling this is what we needed.

In the last quarter of that year, I was thinking, "The new year is going to come around again, and we're going to have this flat growth on the profit line again," which had been the business trend. I knew unless we changed what we are doing, it would be the same.

That month, I saw another Club Insider article, and THTS really seemed like the right thing to do. It was the component our members were asking for that we were not providing, so we were continuing to send them to our competitors and it just made me sick!

I began interviewing club owners with Thin&Healthy's Total Solution, made a business plan, and took it to our club owner, Matt Ellison, again. He said, "OK, you've got

my attention with added EFT growth."

Before THTS, we found our club wasn't increasing EFT growth but not losing it either. It had flat lined.

We're crazy about attrition, always wondering how we can get members more connected and increase retention. I knew a program like THTS would change the game and allow us to be an overall wellness center, therefore attracting more than the 13% of the population that ever join a club.

So we got involved with THTS and headed to Ohio for the six days of training. By the second day, this feeling came over me that their culture is remarkable, and the people are so real and passionate about what they do. The testimonials from actual members about the weight loss and transformation of their lives had me almost in tears. I thought, "Wow, what a little gold nugget this place is in Lima, Ohio!" I felt so blessed to go back home and put a little piece of this in our organization.

We're in such a great industry where we can change lives, and THTS tools and systems gave us what we needed to increase our EFTs and member results. We know that just joining a gym doesn't get our members fit. It's so nice to have a road map for the members to follow, and the systems are simple and effective. In our first month, 21 members upgraded to THTS, paying an enrollment fee of \$99 plus an EFT of \$99 to \$119 a month.

We've added a lot of different profit centers that have been successful, but their profit has never been as fast as it is with THTS. It seems unreal that just getting started with THTS we've already seen \$5000 profit with minimum effort in only 30 days.

It is so uplifting! We are able to give our members an actual system to reach their goals of weight loss and be a true wellness center. Thin&Healthy's Total Solution isn't too good to be true. Talk to them and see the impact the systems can have on your club and your profits. X

We've seen \$5000 profit with minimum effort in only 30 days.

- SANDY MCCASLIN



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A Systematic Approach To Creating a Plan and Budget for Marketing and Membership Sales

By: Greg Maurer

As the saying goes, "those who fail to plan, plan to fail," and this is nowhere more true than in membership marketing and sales. High-level financial performance depends on solid membership sales and not just some of the time, *all the time*. This does not happen by accident, and it starts with the creation of marketing and sales plans with realistic budgets.

Despite this fact, many clubs do not have a detailed sales and marketing plan and associated budget because they do not have a process to create one. The **first step** is a detailed review of the last two years of monthly membership sales along with a review of all marketing conducted each month. At the same time, review the club's membership base and monthly attrition. The outcome of this review is a chart showing monthly sales, monthly marketing used, monthly attrition and monthly net changes in membership base. You should also note how many selling days there were for each month; day of the week last day of the month occurred on; and all holidays. Lastly, note any events (such as severe weather) that affected membership sales in previous years.

The **second step** is to conduct a review of any and all competitors in the immediate vicinity of the club noting location, price, marketing and sales (this means shopping your competitors by phone and in person to know first-hand what you are up against). This should be a thorough review that *should be done at least one time per year*. The outcome of this review should be a chart that lists competitors, their distance from the club, type of facility, price point, along with their strengths and weaknesses.

After reviewing the results of **step one** and **step two** together, it is time to begin the process of projecting monthly membership sales goals for the coming year based on prior performance and the current and expected competitive environment. It is important to consider the local economy including any known changes in major employers or other factors that could significantly change the number of available membership prospects in the club's area.

Start this process by writing down the previous year's sales by month on a blackboard or whiteboard and then look at the calendar and note the number of selling days available during each coming month and what day of the week each month ends on to determine available selling days and when closeouts occur each month. Also, note all holidays and their potential effects

on club participation and tours.

Next, create initial goals based on past performance and current year dynamics. This process is both art and science, and many factors have to be taken into account including how long the club has been open. In order to create the goals, work backwards from the number of tours required to hit the membership goal assuming a closing rate of 50% (this is low, and if your club is not hitting this closing ratio you need some sales help immediately). So, if your goal is 100 new members in a particular month, you will have to generate 200 tours! Look at your number of possible selling days, closeout dates, previous year's sales in the same month and holidays carefully to ensure you are not projecting pie in the sky numbers.

Next, consider what type of *external and internal marketing* you will have to conduct to generate the required number of tours. For full service facilities with a dedicated sales staff, your sales staff should be generating 40 - 60% of the required membership traffic through member referral presentations at point of sale, community outreach and other sales generated traffic. That means your marketing must generate the remaining 40 - 60%. Remember, the purpose of marketing is to generate inquiries which usually come in the form of phone calls along with guests and tours and conversion of incoming phone calls to tours is critical for success. Your monthly marketing plan needs to address this requirement through all avenues, including direct mail, social media advertising, web-generated traffic and tours, etc.

It is important to consider what marketing vehicles and approaches have worked in the past and what has not worked to avoid making the same mistakes twice. There are no silver bullets, and success lies in consistently using multiple marketing channels on a monthly basis and measuring response to continue to refine approaches and improve results. For each month, consider every option, including direct mail, member referral campaign, community outreach, free guest days, marketing via social media, etc.

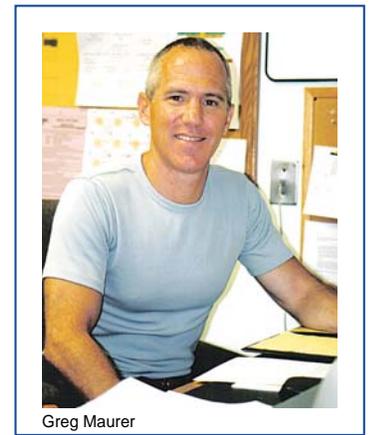
For each marketing item, attach a realistic cost and timeline for creation and execution with an eye on ensuring that the marketing hits the street at the right time to generate the traffic required to hit the monthly traffic goals! **Remember, marketing that is late is like throwing money out the window, and all marketing needs to contain a call to action and deadline to create urgency!** Also, note how one month's offer flows

with the following month's offer/approach. Focus more of your marketing dollars around times of large consumer demand, such as January through March while using more creative approaches with less cash outlay during traditionally slow times, such as July and August (assuming you run a traditional club without large amenities such as outdoor pools).

Next, factor in salaries for sales personnel, dedicated marketing personnel, along with your sales commission structure, which should be progressive. Offer team bonuses to encourage teamwork while incentivizing individual performance.

At this point, you should have all the elements to create a sales and marketing budget that reflects realistic costs and projected sales and revenues based on monthly sales and expense projections coming from a step-by-step plan. One check you should perform once the initial draft budget is complete is to *review the projected costs per sale on a monthly and annual basis*. This involves adding up all marketing and sales costs including salaries and commissions and dividing it by the projected number of new member sales to see your acquisition cost or cost per sale.

Cost per sale is a *very* important metric to track in budgets and in actual results. It is particularly important over the course of an entire year. It can be a very useful tool to share with sales staff to help them understand the true cost of new member acquisition. As a rule of thumb, cost per sale should be \$150 - \$300 per



Greg Maurer

new member for an established club.

If it is much higher, you have to carefully look at what you are spending on marketing and sales to see why the cost is so high. In individual months, the cost can be very high based on a particular marketing campaign's expense, but over the course of an annual budget, it should not be. On the other hand, if it is much lower, I would consider upping either your marketing expenditure or sales commissions with the goal of generating more sales because you are likely missing opportunities to grow your business by underspending in one or both of these areas.

(Greg Maurer is a consultant with New Jersey-based New Paradigm Partners, and he can be reached at gmaurer@newparadigmpartners.com)

Blast Fitness Members Upset After Gym Closes Doors

MARYLAND HEIGHTS, MO (KTVI TV News, St. Louis) - Blast Fitness in Maryland Heights closes its doors, leaving members stunned and angry. They want answers. They say they had no warning. And, some people who use the Maryland Heights facility came from the Clayton gym.

It's like a bad dream for some members. They come to work out, and the doors are locked. For some of them, they had the same experience in December when they lost the gym in Clayton. Blast does have a brand new facility in South St. Louis, but no one there could talk to us about the Maryland Heights closing. And, members don't know if they can use the Jefferson Avenue gym.

Signs on the door in Maryland Heights say the closing is temporary while they work with City officials on permits. But, when the Maryland Heights City Hall was called, they said Blast never secured their occupancy permit. In the meantime, the members will have to go elsewhere for their workouts.

Blast Fitness was sent an email since no one would talk at the Jefferson Avenue gym. A return email said they would reply within two business days. Meantime, members are worried about the monthly dues payment deducted from their debit and credit card accounts.

Source: KTVI TV News, St. Louis



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-Kevin Buck, Owner, Newport Athletic Club

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LA Fitness Remodels Five Atlanta Clubs With New Equipment, State-Of-The-Art Facilities

IRVINE, CA - LA Fitness, one of the fastest growing health club chains in the United States, announced it has completed the remodels of five of its health clubs in the Atlanta area, including locations in Sugarloaf, Cumberland, Camp Creek, Johns Creek and the Alpharetta/Windward communities. The renovations complement the features already in place at each location, reinforcing LA Fitness' commitment to ensure the best work out experience possible for its members, while meeting the distinct needs of each community it serves.

The remodels were completed on a rolling schedule March 4 - 29, with the average club closure being four days. The company scheduled the remodels on a rolling schedule to ensure members could access a nearby club during their home club's closure.

"We continue to explore inno-

vative ways to enhance the LA Fitness experience for our members, including our commitment to providing state-of-the-art facilities, a wide range of amenities and a highly trained staff in each of our clubs," said Bill Horner, Senior Vice President/Chief Real Estate Officer at LA Fitness. "We want the residents of Atlanta to have a clean, welcoming environment where they are comfortable exercising and can achieve their fitness goals. We worked to complete club remodels on a schedule that ensures our members will have access to a nearby club and experience minimal interruption in their workout routine."

All five of the remodeled Atlanta-area clubs now feature upgraded state-of-the-art facilities and features. Select pieces of new cardio and an assortment of strength equipment and dumbbells. Each club received some or all of the following work during the remodels: new

and updated lighting, new carpet, paint and graphic wall coverings; refinished wood floors in the aerobics room, and basketball and racquetball courts; as well as new vinyl flooring in the cycling studio. *

*Work dependent on needs at each club

The following Atlanta-area LA Fitness locations were remodeled:

Sugarloaf

1860 Duluth Highway
 Lawrenceville, GA 30043
 41,000 Square Feet
(770) 822 - 2533

Akers Mill

2995 Cobb Parkway
 Atlanta, GA 30339
 50,000 Square Feet
(770) 956 - 9093

Camp Creek

3755 Carmia Dr. SW - Ste 700
 Atlanta, GA 30331
 42,500 Square Feet
(404) 344 - 1248

John's Creek

11720 Medlock Bridge Rd
 Duluth, GA 30097
 41,000 Square Feet
(770) 623 - 9433

Alpharetta/Windward

5330 Windward Parkway - Ste H
 Alpharetta, GA 30004
 45,000 Square Feet
(678) 393 - 2733

For additional information about the remodeled clubs, please visit or call one of the clubs listed above.

Fitness Int'l, LLC is seeking entrepreneurial minded individuals and food/beverage/retail franchisors to license *Juice Bar opportunities* within many of our beautiful health and fitness clubs throughout the country.



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- Flexible licensing terms
- Licensing rights to food, beverage and retail within the club
- Licensing rights to sell bulk powders and pre-approved stimulant-free supplements
- Licensing rights to sell sundry items, racquetball and exercise accessories, and apparel

Photo depicts a typical facility; some locations may vary. ©2013 Fitness International, LLC. All rights reserved.

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 CONNECTICUT

FLORIDA
 GEORGIA
 ILLINOIS

INDIANA
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 MINNESOTA

OHIO
 PENNSYLVANIA
 TEXAS
 VIRGINIA

**For further information, please contact:
 Scot MacKay at (949) 255-7391**

Life Fitness President Chris Clawson Named Ernst & Young Entrepreneur Of The Year 2013 Finalist

SCHILLER PARK, IL - Life Fitness, a leader in commercial fitness equipment manufacturing, announced that President Chris Clawson was named a finalist in the Ernst & Young Entrepreneur Of The Year 2013 program in the Midwest. The award recognizes outstanding entrepreneurs who demonstrate excellence and extraordinary success in such areas as innovation, financial performance and personal commitment to their businesses and communities. Under Clawson's direction, Life Fitness recently introduced LFopen, the fitness industry's first and only open API (Application Programming Interface) product platform that is changing the way exercisers interact with fitness equipment, and as a result, the

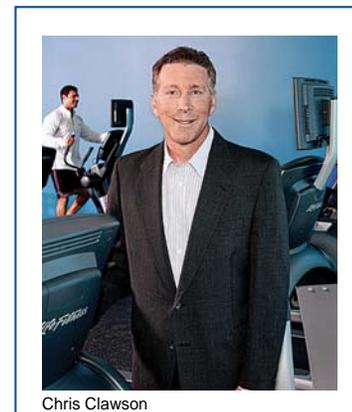
future of fitness facilities.

"This recognition is a reflection of our Company's resurgence in not only executive leadership, but also industry leadership," said Chris Clawson, Life Fitness President. "By pioneering game-changing new products like Synrgy360 and new advancements in technology like LFopen and our Discover Tablet Consoles, Life Fitness has signaled a new fitness era of personalization and connectivity."

Now, in its 27th year, the Entrepreneur Of The Year Program has expanded to recognize business leaders in more than 140 cities in more than 50 countries throughout the world. Clawson was selected from a strong pool of

nominations by a panel of independent judges. Awards will be presented at a special gala on June 27, 2013, at the Hilton Hotel in Chicago, Illinois.

A Life Fitness veteran, Clawson has served the Company in a number of different positions, including Senior Director of Product Management for Cardio Products, Vice President of Consumer Sales and Marketing and General Manager of U.S. Fitness Retailer, Omni Fitness, owned by Life Fitness at the time. He serves on the Board of Directors for the Sports & Fitness Industry Association and is a National Vice President for the Muscular Dystrophy Association.



Chris Clawson

Life Fitness Launches Search For The World's Best Personal Trainers To Watch

SCHILLER PARK, IL - Life Fitness, a global leader in fitness equipment manufacturing, announced its search for the world's best *Personal Trainers to Watch* in partnership with the International Confederation of Registers for Exercise Professionals (ICREPs), an international partnership between exercise professional registration bodies around the world. Now in its third year, the *Personal Trainers to Watch* program recognizes and rewards trainers around the world who embody the same passion and commitment to healthy lifestyles on which Life Fitness prides itself. Nominations will be collected throughout the month of June, and the top 10 finalists will compete during a live global competition this fall to determine the winner.

"Worldwide, the personal training profession is booming as new audiences recognize that professional fitness expertise will help people maintain motivation and achieve their goals," said Chris Clawson, Life Fitness President. "The first ever *Personal Trainers to Watch* workshop event will bring the world's top trainers together on a global stage to learn new tips and techniques from each other as

we celebrate their accomplishments."

Beginning June 1, exercisers, personal trainers and gym owners alike can visit www.LifeFitness.com/PersonalTrainers to nominate a personal trainer who supports a powerful vision, exemplary commitment to enhancing client experiences and pursues continuing education for mastery of the profession. Nominees will also be judged on awards received, tenure and number of clients served. Ten finalists will be invited for a final round of judging where they will design and conduct a training class on Life Fitness' state of the art functional training system, Synrgy360.

"ICREPs is dedicated to ensuring that fitness industry professionals have the required skills and training needed so their clients receive the highest quality workout and fitness guidance available," said ICREPs Chair, Richard Beddie. "We're excited to partner with Life Fitness this year to honor the top personal trainers worldwide. Our partnership will give these fitness professionals an opportunity to further build their global recognition."

The grand prize winner will receive:

- \$5,000 toward personal training business;
- International media recognition as the global 2013 *Personal Trainer to Watch*;
- Continuing education course credit from workshop attendance from the Life Fitness Academy;
- Personalized award plaque;
- One-year membership from world-renowned educational resource PTontheNet and MyGroupFit.com.

All finalists will receive an expenses-paid trip for final evaluation, a continuing education course credit from Life Fitness Academy, international recognition and a personalized award plaque.

The *Personal Trainers to Watch* program will be judged by seven esteemed fitness industry experts:

- Joanne Blackerby** - 2012 *Personal Trainer to Watch* winner and owner of Spirit Fitness Training in Austin, Texas;
- Chris Clawson** - President of Life Fitness;
- Richard Beddie** - Chair of ICREPs and

CEO of Fitness New Zealand;

- Pete McCall, M.S., C.S.** - An exercise physiologist with the American Council on Exercise (ACE), the world's largest nonprofit fitness certification, education and training organization;
- Nicole Nichols** - 2011 *Personal Trainer to Watch* and editor-in-chief of SparkPeople.com, a leading healthy lifestyle website reaching millions online;
- Keith Smith** - Global Master Trainer at Life Fitness Academy, the education arm of Life Fitness;
- Thomas Rieger** - Chairman of the Standards Council of the European Health & Fitness Association.

Nominations for the 2013 *Personal Trainers to Watch* program can be made from June 1-30, 2013. Finalists will be announced in August 2013, and the top *Personal Trainer to Watch* will be announced globally following the live workshop this fall. To nominate a personal trainer and to view official program rules, visit www.LifeFitness.com/PersonalTrainers. Nominations are limited to one entry per person; however, trainers can be nominated by multiple people.

NEHRSA Selects Susan K Bailey Marketing & Design As Agency of Record

BOSTON, MA - NEHRSA announced it had selected Susan K. Bailey Marketing & Design as its new advertising agency of record. The selection follows a review process that began in January when Casey Murphy was tabbed as the new Executive Director.

"While we work with many vendors across the industry, we believe

Susan K. Bailey is the right partner to help us continue to drive our Association forward," said George Dossas, NEHRSA President and General Manager of Commonwealth Sports Club. "The combination of Susan K. Bailey's strategic insight and creativity will enable us to accelerate our strategic plan."

"This is an exciting time at NEHRSA as we develop innovative,

new initiatives that meet our clubs and associates' needs," said Casey. "We are very much looking forward to our partnership with Susan K. Bailey as we continue to be a leader in providing valuable benefits to our members."

"We are extremely proud to be selected by NEHRSA," said Gavin Beer, General Manager of Susan K. Bailey

Marketing & Design. "NEHRSA has a long-standing and unmatched reputation in the health and fitness industry, which makes them the industry leader they are. We look forward to our partnership, and to telling its compelling story."

SKLZ and Athletes' Performance Launch New Facility To Deliver Training and Products To Maximize Human Performance

CARLSBAD, CA - SKLZ, the industry leader in athletic performance and skill development products, and Athletes' Performance, the leader in integrated human performance for elite and professional athletes, announced the grand opening of Athletes' Performance - San Diego within SKLZ headquarters in Southern California.

Athletes' Performance - San Diego is the latest collaboration to come from their 3-year partnership, an endeavor designed to accelerate innovation in athletic performance. Together, they combine SKLZ's performance-elevating tools, content development and amazing facility with Athletes' Performance's expertise in training elite athletes to build better, smarter, safer athletes. The facility will support the full spectrum of Athletes' Performance clients, from athletes, elite military operators and local companies, providing Southern California's premier location for the advancement of athletic performance.

"Athletes' Performance - San Diego is a refuge for athletes," said Mark Verstegen, Founder and President of Athletes' Performance. "We share a passion with SKLZ in helping athletes effectively and ethically improve their performance, and this facility completely embodies that vision."

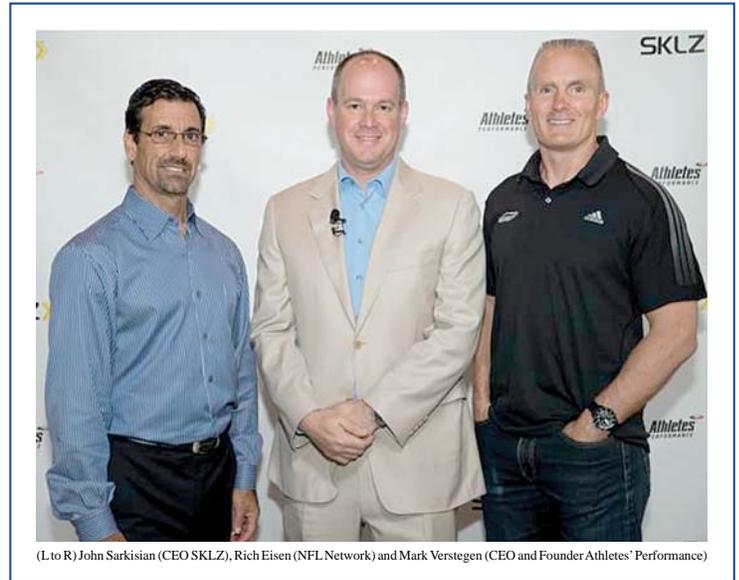
Since the beginning of their

partnership in 2010, Athletes' Performance has used SKLZ products in its facilities to train elite athletes, while SKLZ has leveraged Athletes' Performance's expertise in the development of new training products and instructional content.

The 15,860 square-foot facility features more than 7,000 square feet of training space outfitted with top performance and cardiovascular equipment, including an outdoor turf field, a sprint track and cold plunge and hot tub pools. The facility will offer the full line of Athletes' Performance programs and services for athletes across skill levels and sports and will be the fifth facility operated by Athletes' Performance, joining locations in Phoenix, Los Angeles, Florida, and Texas.

Pairing SKLZ's innovative training products with Athletes' Performance's methodology of mindset, nutrition, movement and recovery, the facility will offer truly tailored programs of products and training, personalized for each athlete's individual needs, goals and sport, all in a single location. The facility will provide uniquely integrated, holistic training, all based on the latest science and data gathered over years of working with elite athletes.

"We are electrified to deliver a world-class Athletes' Performance facility at our company headquarters," said SKLZ



(L to R) John Sarkisian (CEO SKLZ), Rich Eisen (NFL Network) and Mark Verstegen (CEO and Founder Athletes' Performance)

CEO, John Sarkisian. "As a center for sports innovation, there's no better place than Carlsbad to have the ultimate research and development platform for bringing new, innovative products and education to the marketplace."

The new facility will also allow SKLZ to routinely bring together serious athletes, trainers and coaches at every level through community events. Sports training

clinics will be hosted at the facility, with the inaugural event in June led by SKLZ ambassador and professional lacrosse champion Kyle Harrison.

To access a replay of the event plus behind the scenes videos and images visit www.sklz.com/apsd.

Virgin Active Eyes £2bn David Lloyd Merger

By: Mark Kleinman

Virgin Active is mulling a takeover bid for David Lloyd Leisure that would create a £2bn health and fitness empire and entrench Sir Richard Branson as the industry's most important British stakeholder.

I have learned that Virgin Active has been undertaking detailed work on the structure of a possible offer for David Lloyd, which has been put up for sale by its consortium of shareholders.

The Virgin-backed chain is now deliberating over whether to submit a formal offer for the tennis-based network of fitness clubs ahead of a new deadline, which is thought to have been set for next month.

If successfully completed, a deal would create a group of more than 200 venues in the United Kingdom, with many more in a host of overseas markets, including Belgium, Ireland and South Africa.

People close to the process said that Virgin Active did not participate in the initial round of bidding for David Lloyd earlier this month and cautioned that it may yet decide not to make an offer at all.

David Lloyd's advisers at UBS, the investment bank, are said to be seeking a sale worth £900m, although some insiders suggested on Friday that a lower valuation was likely. Virgin Active, which is chaired by the former Boots boss Richard Baker, would have little trouble financing a deal.

A controlling stake in the business was sold in 2011 to CVC Capital Partners, the buyout firm behind Formula One motor racing, in a deal thought to have valued the gyms chain at £900m. According to unaudited results published last summer, Virgin Active recorded a profit of £127m in 2011, up 11% on the previous year.

The company is understood to have concluded that a takeover of David Lloyd, which made around £100m last year, would not raise significant competition concerns.

The health and fitness market remains reasonably fragmented, with other significant players including a diminished Fitness First, which now operates around 80 clubs following a financial restructuring that saw many sites sold or closed.

A number of other gym chains are also on the market, with several private equity firms looking at a combination of Pure Gym and the Gym Group at the value end of the sector.

Even if Virgin Active does decide to pursue an offer for David Lloyd, it will face stiff competition to secure a deal. Private equity firms including Blackstone and KSL Capital Partners, which owns the Belfry golf resort, are reported to have submitted offers.

David Lloyd is controlled by London & Regional, the vehicle of the property tycoons Ian and David Livingstone, and Caird Capital, a firm created by former HBOS bankers responsible for many of the bank's biggest corporate deals before it required a rescue



Sir Richard Branson

in 2008.

Virgin declined to comment, while David Lloyd could not be reached for comment.

Programming For The "Fun Of It!"

21 Ideas to Inspire New Programs

By: Laurie Cingle, M.Ed.

Publisher's Note: We'd like to Welcome our long-time friend, Laurie Cingle, club industry veteran, and CLUB INSIDER Contributing Author, to this space for ongoing monthly articles on club programming (See Laurie's Bio at the end of her article). We're going to call these reports Programming For The "Fun Of It!" and Laurie's articles will appear on this same page that we'd formerly dedicated to our long-time friend, and CLUB INSIDER Contributing Author, Sandy Coffman's Programming For Profit articles. Welcome Laurie! And folks, we urge you to read on!

21 Ideas to Inspire New Programs

It's important that club pro-

grammers consistently come up with new ideas and services that will keep members interested in the club. These ideas don't have to revolve around exercise. Why not offer your members activities that are all about fun and meeting others who share their interests? "Clubs within a club" have the potential to really get your members (and prospects) talking about the great service your club provides. Read on for 21 ideas. Perhaps one will pique your interest, or lead you to an idea of your own.

1. Dog Walking: Start a weekly walk for owners and their dogs at the club, or a local park. Dog people will jump at this opportunity.

2. Aquarium/Fish Group: Salt water or

fresh water, aquarium or fish bowl. Many people have elaborate setups for their fish and want to learn more.

3. Dining Out: How about a monthly outing to a local restaurant? Or, bring in a guest speaker (chef?) from a local restaurant.

4. Cooking: This will attract people "hungry" for information about healthy cooking.

5. Coffee: Meet at a café; brew and sample coffees from around the world; learn how to make cappuccinos and other espresso drinks; invite speakers in to educate.

6. Movie Club: Schedule a monthly outing to a theater. Many people like movies but have no one to go with.



Laurie Cingle

(See Laurie Cingle Page 30)

Is His Fitness Franchise In Good Shape?

Retro Fitness CEO Goes On CBS's UNDERCOVER BOSS to Find Out

COLTS NECK, N.J. - Retro Fitness Founder and CEO, Eric Casaburi, has spent the better part of his adult life building a fitness franchise based on the principles of perseverance, integrity, honesty and cleanliness. Now, the personal and professional journey of this tough and highly energetic Jersey native will unfold on national television as he gets a frontline look at the inner workings of his Retro Fitness chain in the hit CBS series *Undercover Boss*.

"Our success is highly attributed to our franchise owners, and it's very important that they are receiving the support they need," Casaburi said. "We make it a top priority to provide everything our franchisees need to succeed, and going undercover allowed me to see how this is being executed."

Casaburi's journey in the fitness industry began at the young age of 13 when he got his hands dirty and started working as a floor cleaner at a local health club. He moved through the ranks and continued working at various health clubs while attending college, eventually opening his

first gym at age 23.

Applying all of his knowledge and experience in the fitness industry, Casaburi then created the Retro Fitness concept, meticulously designed from his likes and dislikes and what he thought his target audience would respond to. Casaburi decided to franchise the concept to provide a growth path for the brand and a way for Retro Fitness to provide the American Dream to other entrepreneurs interested in the fitness industry. Today, the brand has grown to over 90 gyms in 12 states.

"Going undercover allowed me to see if our locations are operating within our brand's standards of top-notch customer service and cleanliness," Casaburi said. "If Retro Fitness is going to continue to grow and expand at the current rapid pace, it's imperative that our foundation of integrity remains intact."

Each week, the Emmy Award-winning *Undercover Boss*, which is in its fourth season, follows a different executive as they leave the comfort of their corner office for an undercover mission to examine the inner workings of their

companies. While working alongside their employees, they see the effects their decisions have on others, where the problems lie within their organizations and

get an up-close look at both the good and the bad while discovering and rewarding the unsung heroes who make their companies run.

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...Laurie Cingle

continued from page 29

7. Clearing Clutter: Learn the best way to attack and clear clutter. There's a lot to know and to do!

8. Landscaping: Discuss new techniques and products, invite expert speakers, have them plan and actually landscape the grounds surrounding the club.

9. Indoor Plants: Work with a local nursery.

10. Gardening: Spring, Summer and Fall gardening techniques.

11. Knitting Circle: Great for knitters of all levels to get together and share.

12. Quilting: Bring people together to work on a quilt, serve refreshments and let them "bee."

13. Holiday Crafters: Almost every month of the year has a holiday. Make a creative, festive item (this idea could easily be adapted for kids at the club, too).

14. 45+ Singles: Where do people over 40 go to meet other singles in their age group? Schedule non-exercise activities and events that conclude with networking.

15. Poker: Set up tables and play. Or, choose a different card game.

16. Board Games: Choose a particular game (Trivial Pursuit, Monopoly, Scrabble, etc.) for tournaments.

17. Sing-a-Long: A favorite with seniors. Just consider it group karaoke.

18. Fashion: Bring in experts to help members learn how to dress to suit personality and shape. Talk about current trends, or invite department and specialty shops to do trunk or fashion shows. Or, just go on shopping trips.

19. Language Club: Spanish, French, Russian, etc. Schedule monthly meetings to practice speaking the language. Use it or lose it!

20. Forever Young: Teach members about new health and beauty products, medical procedures, etc.

21. The "I've Always Wanted to Try" Club: This club plans activities that many people may have wanted to try but were afraid to do on their own: fly fishing, sky diving, mountain biking and in-line skating are just a few examples.

(Laurie Cingle, M.Ed., is a fitness business success coach and club consultant. Her specialties include creating successful club program champions through coaching, developing and operating non-dues revenue profit centers especially personal training and weight management, establishing club market differentiation and designing programs that result in profit and retention. She has been instrumental in leading highly-successful clubs like the Houstonian Club, the Maryland Athletic Club and Wellness Center and Fitness Formula to break industry records and set them on a path for continued long-term success in programming.)

Club For Sale

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For more information, call James Ann Martin of All Four Real Estate at (205) 275 - 3994.

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Thanks and Appreciation

At CLUB INSIDER, we are excited to be celebrating our 20th Anniversary of this home-based health and fitness club trade newspaper! The thought that this newspaper was founded to serve an industry I truly love, and so that I could become a Mister Mom for my son, Justin, is still intriguing and amazing to us. I wish to extend our most sincere Thanks and Appreciation to everyone that's made this amazing run possible.

A very sincere Thanks and Appreciation go to Rick Caro, Dr. Gerry Faust and the Faust Executive Roundtable #1 for helping me decide in 1993 what my home-based business would be. Thanks and Appreciation to my long-time friends, Ron Hudspeth and Cathy Miller of Atlanta's Hudspeth Report for the tremendous assistance they provided us during our first 8 years of publication. Thanks and Appreciation to all of the folks at Walton Press in Monroe, Georgia. They've done an absolutely excellent job for us all these years and have printed every one of our monthly editions! Thanks and Appreciation to all of our readers. Sincere Thanks and Appreciation to our CLUB INSIDER Advertisers, past and present, for their kind and dedicated support of this publication. It's amazing to know that we have several advertisers with over 15 years of continuous advertising with us. Plus, we have one advertiser, National Gym Supply, with over 18 years advertising with us and one, Affiliated Acceptance Corporation, with over 19 years as they have advertised in every single edition of CLUB INSIDER since the first month that we sold advertising in June, 1994! We also want to say sincere Thanks and Appreciation to all of our CLUB INSIDER Contributing Authors, past and present, who've contributed hundreds and hundreds of excellent articles to help our readers with their Best Business Practices. Thanks and Appreciation to IHRSA for all it does.

Sincere Thanks and Appreciation to my son, Justin, who started working part-time for CLUB INSIDER when he was just 8 years old (helping with mailings). This young man, pretty much behind the scenes for 20 years now, has truly been a fantastic partner for his Dad in CLUB INSIDER. Justin does our editing, publication layouts, all of our website design and maintenance, all of our bookkeeping and subscription processing work, as well as archive management and anything else that needs doing, including writing eight cover stories per year.

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

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

Norm Cates, Jr.

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