

# Norm Cates' CLUB INSIDER™

The Pulse of the Health and Fitness Club Industry

## Play On at Little Rock Athletic Club



(L to R) Justin Wright, LRAC Assistant Manager; Martin Kajeovski, LRAC Tennis Director; Martha Plaster, Physical Therapist; Lisa Cooper, Fitness Director; Dana Smith, CFO; Jennifer Neff, Pro Shop Manager; Frank Lawrence, CEO; Mary Olson, LRAC Manager; Burke Jolly, Community Building Director; LeeAnn Jolly, Community Building Director; Melody Nation, Youth Director; Kelly Snook, Communications Director

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## MAY 2017

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# Norm Cates' CLUB INSIDER™

## The Pulse of the Health and Fitness Club Industry

### Play On at Little Rock Athletic Club

By: Justin Cates

*"It's what we do. We're a big, diverse family of tennis players, swimmers, runners, CrossFitters, cannonballers, stair-master-ers, weekend warriors, big kids, little kids and kids who never grew up. We love to run, jump, serve, swim, splash, sweat, lap, lunge, squat, compete and do pretty much any other verb you can associate with fitness. We believe that fitness and fun not only can co-exist, but that they are soul mates that should never be apart. It's why this club exists. And it's why we come to work. It's why more than ever we're committed to helping you, our members, play often, play hard and Play On."*

Those words are the mantra of

**Little Rock Athletic Club (LRAC)** and its sibling clubs, which comprise The Athletic Clubs in Little Rock, Arkansas. Led by **CEO, Frank Lawrence**, who lives these words in his own life, The Athletic Clubs provide a fresh take on an idea many organizations in the health and fitness club industry believe in but few bring to the forefront of their brand.

The history of LRAC is storied, and its evolution sets the stage for an exciting new chapter. The same can be said about LRAC's CEO, Frank Lawrence, who began his professional career in banking. After getting involved in CrossFit to live a healthier life, he took the next step, opening his own CrossFit facility. Later, leaving banking behind and moving on

to a full-time career in the health and fitness club industry, he became part of an ownership group that purchased the Athletic Clubs, setting each on a new, but true-to-its-brand, trajectory.

I invite you to read on as **CLUB INSIDER** presents an in-depth interview with Frank Lawrence.

#### An Interview With Frank Lawrence, CEO of The Athletic Clubs

**CLUB INSIDER (C.I.)** - Please tell us a little bit about your personal background: Where were you born, and where did you grow up? Where did you go to school, and what did you study? And, did you play  
(See **LRAC** Page 10)



Frank Lawrence

## Exercise IS Medicine!

By: Denise Johnson

I have been the Director of Wellness at The Claremont Club for 19 years, and in that time, my role has expanded and grown to include many more responsibilities. The one which has inspired me most is community outreach. In my position, this translates to finding a place in our facility to accommodate everyone, including those with spinal cord injuries, ALS, PLS, MS, TBI, Cerebral Palsy, Stroke and a host of other special populations. The Claremont Club is a place that able-bodied, as well as the disabled, feel safe, welcomed and accepted... a home away from home.

Everyone's life journey is diffe-

rent and unique. In the blink of an eye, you or your loved one's life can change forever. The initial reaction to getting the news that you, or a loved one, is paralyzed or has cancer or any of the multitudes of diseases, is devastation and shock. If that is not enough, it gets worse after surgeries, hospital stays, outpatient care, physical therapy, not to mention when your insurance company sends you home to live out the rest of your life with your illness with no assistance. What would you do?

At The Claremont Club, we decided to answer that dilemma and become a continuum of care for people in need. We did this for many reasons. It's the right thing to do, our communities need us, we want to be a resource and fill a void,

we want to give back and a host of other reasons. We made these programs happen by involving everyone. As they say, it takes a village! The outcomes have been inspiring to say the least.

When beginning a new program, we involve everyone in the creative process and development. Anyone wanting a seat at the table shares his experience, strengths and hopes for the program. The entire management team, and their respective departments, are also a large part of the logistics and success. An example of this is our Pediatric Cancer Program. During this year-long curriculum, both child and parent work out and a team effort to coordinate all the offers commences: group exercise  
(See **Denise Johnson** Page 6)



Denise Johnson

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- Mining for "Sales Gold" - **By:** Casey Conrad
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- Inclusive Fitness Coalition Launches New Partnership for Inclusive Health
- National Survey from Parker Finds Majority of Americans Hopeful and Optimistic About Aging
- acac Fitness & Wellness Centers Raise More Than \$90,000 for the Focused Ultrasound Foundation
- And, of Course, **Norm's Notes**

# Norm's Notes

•Hello Everybody! This is your CLUB INSIDER Publisher and Tribal Leader Since 1993 checking in with our 281st monthly edition! Hmm... Hmm... Hmm!!! I love being in touch with YOU! Don't HOLD your NEWS! SHARE your NEWS! Send YOUR NEWS to me, Norm Cates at: Norm@clubinsideronline.com or call me at (770) 635 - 7578, and let's talk.

•Is America a great country, or what? God has blessed America!

•MARK SMITH has left his role as CEO of 24 Hour Fitness. Frank Napolitano was named the Acting CEO. A mutual agreement between Mark and the 24 Hour Fitness Board led to Smith's immediate departure from his role as CEO. In 2014, Smith had been named CEO when an investment group led by private equity firm AEA Investors and the Ontario Teachers' Pension Plan, Toronto, acquired 24 Hour Fitness from Forstmann Little Co. a New York City firm, for a record setting sum of \$1.85 billion in 2014.

•This important news from IHRSA in BOSTON as *The Association of Quality Clubs* announces the new Thunderclap Campaign to #PassPHIT. To bring increased attention to PHIT, legislation that would make physical activity more affordable, IHRSA, the International Health, Racquet & Sportsclub

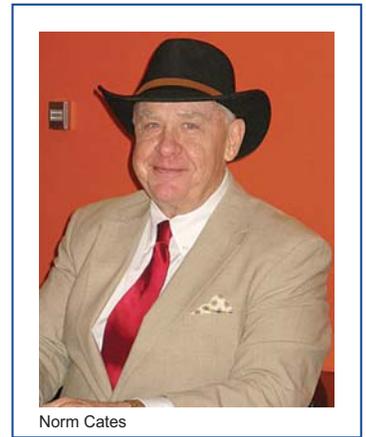
Association recently launched a social media initiative to promote the #PassPHIT campaign. The goal of this campaign is to promote the benefits of passing PHIT, while generating more engagement from the industry, its members and its customers in asking Congress to support the legislation. "We are reaching out to all corners of the industry to garner support with the hopes that this #PassPHIT message will reach tens of thousands of people across multiple social media platforms," said MEREDITH POPPLER, IHRSA's Vice President of Advocacy Communications & Leadership Engagement. The campaign was launched by IHRSA President and CEO, JOE MOORE, with an invitation to join the association's #PassPHIT Thunderclap campaign.

Upon Googling #PassPHIT hunderclap, the following information was obtained: Help us #PassPHIT! The Personal Health Investment Today Act (PHIT - H.R.1267 and S.482) will allow Americans to use flexible spending accounts (FSAs) and health savings accounts (HSAs) to pay for health club memberships, fitness equipment, exercise videos and youth sports leagues. Currently, the IRS code only allows these accounts to be used for medical expenses like prescription medications and doctor visits. If passed, it will allow individuals to use up to \$1,000 per year to cover these expenses and families to use up to \$2,000 per year. PHIT will help Americans save 20-30% on yearly expenses related to

physical activity. PHIT will make being physically active an easier financial choice for hard-working Americans. PHIT has bipartisan support in Congress, but it needs your help. Ask your Representatives and Senators to #PassPHIT. PHIT was introduced in Congress on March 1, 2017. See the full list of PHIT Sponsors at [hub.ihrsa.org/why-phit](http://hub.ihrsa.org/why-phit). Stay Tuned!

•Our friend, MICHAEL SCOTT SCUDDER's wife, PHYLLIS, has had some serious medical challenges. I asked Michael Scott to give me an exact description of what she is suffering from, and he wrote and I quote: "She suffered a severe epistaxis event (streaming unstoppable bloody nose), accompanied by several extreme hypertensive crises (spiking blood pressures, into the 'stroke' range) over the course of four days... followed by corrective nasal surgery on Tuesday, May 9th. Next steps will be meetings with her Primary Care physician and a May 23rd appointment with a cardiac specialist." So folks, my prayers are with Phyllis, and I hope you will join me in a prayer for her full recovery. GET WELL SOON, Phyllis. And, hang in with her there Brother Scudder! YOU are a good husband!

•CLUB INSIDER is pleased to announce that PAUL BEDARD, Esquire has taken a role as CLUB INSIDER's Legal Guru, and for the foreseeable future, he will be writing and contributing a monthly article



Norm Cates

on legal matters. We must, however, repeat Paul Bedard's comment contained in his Article this month on Page #23. I quote: "However, this article is not intended as legal advice. Widely varying laws specific to each jurisdiction prohibit one-size-fits-all recommendations. Please consider these comments as merely an educational guide to assist you when you consult your own attorney for specific direction."

•Just one more time... special Thanks to the Club Industry Folks for deciding to honor me with their Lifetime Achievement Award! And, Sincere Thanks and Appreciation to ALL of you who sent messages of congratulations to me about (See Norm's Notes Page 7)

## About Club Insider

# Established in 1993

## 24 Years and Counting!

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 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](http://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 Emeritus of IHRSA
- Joe Moore - IHRSA President & CEO - (800) 228 - 4772
- Angie Pattengale - National Federation of Personal Trainers - (800) 729 - 6378
- Bill McBride - Founder, BMC3 - [BillMcBride@bmc3.com](mailto:BillMcBride@bmc3.com)
- Bruce Carter - President, Optimal Design Systems International - (954) 888 - 5960
- Casey Conrad - Communications Consultants - (800) 725 - 6147
- Daron Allen - President & CEO, Visual Fitness Planner - [dallen@vfp.us](mailto:dallen@vfp.us)
- Dave Beadle - Founder & CIO, Fit Happens Intentionally! - [dhbeadle@gmail.com](mailto:dhbeadle@gmail.com)
- Derek Barton - Owner, Barton Productions - [derek@bartonproductions.com](http://derek@bartonproductions.com)
- Donna Krech - Founder and President, Thin & Healthy's Total Solutions - (419) 991 - 1223
- Dr. Art Curtis - President, Curtis Club Advisors - [art@curtisclubadvisors.com](http://art@curtisclubadvisors.com)
- Dr. Gerry Faust - President, Faust Management Corporation - (858) 674 - 2400
- Jim Thomas - President, Fitness Management USA - (800) 929 - 2898
- Jon Butts - President, Muscle Up Marketing - [jon@muscleupmarketing.com](mailto:jon@muscleupmarketing.com)
- Karen Woodard-Chavez - President, Premium Performance Training - [karen@karenwoodard.com](mailto:karen@karenwoodard.com)
- Melissa Knowles - VP of Gym HQ, A ClubReady Company - [mknowles@gymhq.club](mailto:mknowles@gymhq.club)
- Mike Alpert & Claremont Club Team - [www.claremontclub.com](http://www.claremontclub.com)
- Nancy Trent & Company - [nancy@trentandcompany.com](mailto:nancy@trentandcompany.com)
- Paul Bosley - Owner, Business Finance Depot - (800) 788 - 3884
- Paul R. Bedard, Esquire - Crunch Fitness Connecticut - [paul@crunchct.com](mailto:paul@crunchct.com)
- Stephen Tharrett - Co-Founder and Principal, ClubIntel - (866) 691 - 9223
- Thomas Plummer - National Fitness Business Alliance - (800) 726 - 3506



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**...Denise Johnson**

continued from page 3

classes, tennis and aquatics lessons, training in the cardio and weight rooms, the ability to check siblings into childcare, massages given by oncology-trained staff, etc. It is easy to see how each department plays an important role in the success of the program, no matter what one's position. If a staff person is not directly involved with the programs, then he has the opportunity to assist in many other ways like fundraising or volunteering.

What we have found is that, *when staff have purpose and feel valued*, they

stay longer, increasing employee retention and decreasing club costs. The value of the programs is not only in staff retention but in the participants themselves. The most profound reward is when the participants share with you what the programs have meant to them. They feel empowered; their confidence has returned; they learn how to get back to "normal," understanding they are not alone and have support; they have more strength and endurance throughout the day; and they feel like they have purpose again. From the beginning, the club also wanted to involve the families who take care of these individuals regularly and who are often overlooked. The benefits from the

programs should help family members be part of the healing and recovery process.

The Claremont Club is just one club making big changes in a small community. Our mission is to get other clubs to provide these possibilities to more people in their own communities. For clubs willing to take the leap, we are ready to share the programs we have developed and help you to make a huge difference to many people who are in need and are desperate to have a place they can call home. **What our programs have brought to the lives of the affected, to the staff and to my life is indescribable.**

**The ZEINvolution**

*Sometimes real superheroes live in the heart of small children fighting big battles.* An uplifting and life changing experience for the Claremont Club, our family of associates and a very courageous boy named **Zein**.

Zein was diagnosed with Stage 4 high-risk Neuroblastoma, cancer of the nerve cells in February of 2013. He was almost six years old when Doctors discovered that an aggressive form of cancer took his body as its home and grew intensively in all of his bones and bone marrow. It was a devastating experience, and starting the treatment was an excruciating and exhausting life for Zein and his family. They lived at the hospital more than they lived at their home. He had chemotherapy, radiation and surgeries, which entailed a lot of normalcy to be completely gone and for life to revolve around hospital stays. He reached a state of remission after 18 months of aggressive treatments only to relapse with even a more aggressive tumor in the brain only two months after that. Their journey with cancer was not meant to end; if anything, it started all over again with a more aggressive tumor and a more intense battle.

A year after that, in summer of 2015, Zein reached his second state of remission but needed a lot of around-the-clock care.

**Zein's Mother, Radwa Youssef**, reflects:

*"We were in constant search of normal activities that would help him be a kid, while catering to his medical needs and not being too exhausting for him, something that would help him enjoy life but not stress him out due to his recovery and all the treatments he has been going through. That being said, we stumbled across The Claremont Club in the most unexpected way ever! We walked in to check out their summer camp only to find out that they have a full program specifically for pediatric cancer patients. Exactly what we were looking for!"*

*The Claremont Club is a state-of-art facility for overall wellness and healthy living; it met and exceeded all our expectations. Not just that Zein found a healthy and active way to get his childhood back, but so did our whole family with*

*and through him. His sister, Malak, loved being there and enjoyed all the activities and camps, and my husband and I found an avenue to restore our health again, getting back to being fit and working out regularly. The place alone is so serene and beautiful that it became our safe zone for the kids and a happy place to be. We enjoy our weekly family tradition of coming twice a week and working out; not just that, but we enjoy more classes during the week as well. We can't speak highly enough of The Claremont Club. We try to spread the word to all the cancer families we know, stressing on how important and vital it is to maintain a healthy lifestyle in one of the toughest battles of our life against a disease like cancer."*

**Zein's Father, Tamer Youssef**, adds:

*"Zein's grip has improved quite noticeably due to several OT and PT exercises, as well as Racquetball, Tennis and other activities played at The Claremont Club. Zein and I always practice handshakes and have seen a gradual increase of strength and precision that makes him feel confident and happy. I always tell him that a firm handshake can tell a lot about a person."*

Our associates have been touched so deeply by their experiences with Zein and his family and the positivity that they exude. He gives them purpose, and that motivates and inspires them.

Zein's parents were told he would not live to the age of 10. The Claremont Club will be joining Zein and his family to celebrate his 10th Birthday on May 18, 2017.

*(Denise has worked for The Claremont Club as the Wellness Director since 1998. She holds her Masters Degree in Exercise Science and is certified by ACSM, NSCA, AFAA, TRX, Power Plate and Ropes. She has created, implemented and directs the club's Living Well after Cancer, Pediatric Cancer Programs, Support Groups and Project Walk Claremont. These special programs are the core of the club and her biggest accomplishments. Assisting those who are disabled to see their true potential and reach goals they never thought possible through programs her team has developed. Denise can be reached at [djohnson@claremontclub.com](mailto:djohnson@claremontclub.com))*



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## ...Norm's Notes

continued from page 4

this special *Club Industry* announcement. And, special Thanks to IHRSA's JOE MOORE and the IHRSA Staff members and Teammates who sent very kind messages of congratulations to me. I appreciate you ALL!

The Club Industry Show is to be held at the Chicago Hilton, October 4 - 6th, and it will be the 35th year for the Show. I hope you will attend and support the Educational Conference and Trade Show Exhibitors. Particularly, I hope you will support our CLUB INSIDER Advertisers who're exhibiting at The Club Industry Trade Show. Our friend, JENNIFER URMSTON, will be there for Sports & Fitness Insurance at Booth #400, and our friend, LINDA GIAMMANCO will be there for the 2XL Corporation, d/b/a Gym Wipes at Booth #1000. My son, JUSTIN, and I will be at our CLUB INSIDER Booth #508.

The Club Industry folks are providing a special rate of only \$295 for the All Access Pass for the Conference and Trade Show, and here is their writing about it...

The All-Access Pass gives you access to:

- Unlimited education sessions October 4 - 6, 2017, including 10 tracks and 90+ sessions. Earn CECS/CEUs during our two and a half days of conference sessions led and designed by top industry leaders.
- Networking options, including the new conference networking lounge, the Welcome Reception and the Networking Nightcap.
- Two keynote presentations to inspire and motivate you.
- Lifetime Achievement Presentation, honoring Norm Cates, Publisher of CLUB INSIDER.
- New Club Community Breakfast on Thursday morning, giving you an additional opportunity to build, strengthen and cultivate ongoing and prospective relationships.
- An expanding tradeshow floor where you will find product demonstrations, interactive workouts and expert technical knowledge.

If you are not interested in attending the educational sessions at the Club Industry Show, you can register for FREE Exhibit Hall admission during this early bird sign-up time! Register by May 24 for a chance to win a \$50 Amazon gift card. Enjoy our affordable 3-payment plan for the All-Access Pass if you register by May 29th.

● Long ago, in the late 1960s, probably before some of you were born, your author pounding these keys here for you today was a jet instructor pilot in the U.S. Air Force. My job was to teach guys (at that time, there were no female student

pilots) who were fresh out of college how to do everything from take-offs and landings, performing aerobatics (just like The Thunderbirds and Blue Angels, Air Force and Navy Aerobatic Demonstration Teams), flying instruments in the weather and even flying in formation in clear skies AND in the weather with only one foot of space separating our wings. Once in a while, we would find a student pilot... a guy who was a *natural*... somebody who could watch you demonstrate a maneuver once and then duplicate it right then... often perfectly. We called those guys "Fast Burners."

You may be thinking: NORM, what does THIS have to do with the club business? Here's the answer. We have Fast Burners in our industry, and we have a place where some of them can be found and heard from this summer. "WHERE, Pray Tell Norm, might THAT BE?" you may ask. Folks, let me tell you where: The IHRSA Institute.

As always, there's a terrific lineup of excellent professors for the classes. I urge YOU to attend the Institute with this great Faculty of 16 of the "Fast Burners" of our club industry who are gifted and very hardworking leaders in our industry. They are some of the Best of the Best in our industry, and they will help you prepare to be a Fast Burner in our industry yourself one day, too, if you're not already. Check out [www.ihrsa.org/institute](http://www.ihrsa.org/institute), click on Curriculum, then on Faculty and check out that great "Team of 16 Fast Burners."

Then, SAVE the DATE of August 1st - 4th for the 2017 IHRSA Institute, and make plans to attend as it will again be held at the University of North Carolina at Chapel Hill at the Kenan-Flagler Business School Rizzo Center. Book and plan for your attendance today by going to: [www.ihrsa.org/institute](http://www.ihrsa.org/institute).

● SAVE the DATE for IHRSA 2018, the 37th Annual International Convention & Trade Show, to be held in San Diego, California next March 21st - 24th. You will be glad you did because, without a doubt, San Diego, California is by far the coolest and greatest destination IHRSA ever goes to for its Convention and Trade Show. To learn more and to register, go to [www.ihrsa.org/convention](http://www.ihrsa.org/convention).

● RICHARD SIMMONS is an amazing and interesting guy and one who's been in the exercise industry for many decades, and for some... a face and voice of the past. However Simmons recently told Washington Post writer DEREK HAWKINS, that he's, "just a little under the weather." I have extracted that quote from the Atlanta Journal Constitution's recent re-print of Hawkins' article. To hit with a quick summary of Hawkins' report:

1. Simmons made a rare public statement to dispel rumors about his well being.
2. Simmons has not been seen in public

since 2014, and the report was written the week Simmons was in the midst of a brief stay in a hospital where he had been suffering from "severe indigestion." 3. Simmons, 68, sought to ease the minds of his reported 350,000 Facebook followers when he said, among other things, "Just knowing you care has already made me feel better. Hope to see you again."

I will close this with: Get well, Richard!

● Gosh... here I am two months in a row finding words from one of our CLUB INSIDER Contributing Authors that are profound and very moving to me. Maybe

they are for you, too. Last month, it was a profound but simple comment from long-time Contributing Author, KAREN WOODARD-CHAVEZ, who wrote: "When you have better humans in your organization, you have a better organization." And, now, comes another comment found in ANGIE PATTENGALE's article this month about Certified Personal Trainer recertifications and the possibility and potential consequences of the lack thereof. Angie writes: "It's never too late to start doing better." She was writing about recertification for personal trainers.

(See Norm's Notes Page 8)



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## ...Norm's Notes

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But, I submit to you here and now a slogan that I am going to adopt for **CLUB INSIDER**, and you are going to see it on these pages somewhere every month from now on. What better slogan could we possibly find to embody the **Mission** and the **Thrusts of CLUB INSIDER**? Why we are here... what we are doing here... and how what we are doing here can flat out change your life if you will read, examine and study the wisdom of our great Contributing Authors, who invariably deliver the goods, over and over, every single month without fail. The slogan reminds me of

my 13 years of playing football from 4th grade through college and the things our football coaches would say to us to help us "start doing better." Good lessons then... good lessons now.

And, I will close this Note with this: **IF** you do not believe that this slogan... this simple, yet brilliant thought... is, in fact, a brilliant thought that is ignored by millions of people who fail in life, then you are just *not paying attention*. Read this entire Norm's Note again, then go at your challenges today aggressively with this mindset: **It's never too late to start doing better. You will WIN!**

• I asked folks at IHRSA to provide me with

information on a new initiative they are pursuing on behalf of kids across America. I want to thank IHRSA's **ALEXANDRA BLACK, MPH, RD, LDN, Health Promotion Manager**, for providing the following information. Alexandra wrote:

To encourage healthy lifestyles for kids and raise awareness about childhood obesity and physical inactivity, several states have passed resolutions recognizing the week of April 24 - 28 as **Action for Healthy Kids "Every Kid Healthy Week."**

"Every Kid Healthy Week" dedicates this week to initiatives that promote physical activity for children. Resolutions designating "Every Kid Healthy Week" were passed in **Pennsylvania, Massachusetts, Texas, New York, Florida, California and New Jersey**. Here's a quick summary Alexandra provided on each state's activities so far:

- **Pennsylvania** lawmakers passed **House Resolution 282** and **Senate Resolution 88**.
- **Texas House Resolution 1506** was introduced on April 20th and read by the sponsor on the floor on the 24th.
- **New York's** assembly adopted **Assembly Resolution 297** on April 24th.
- **Florida's** Senate Resolution 542 was read April 28th.
- **California House Resolution 290**, making the 4th week of April "Every Kid Healthy Week" was passed.
- **New Jersey's** legislature on May 11 proposed a joint resolution, AJR 154, to designate the 4th week of April "Every Kid Healthy Week" in the state.

Stay Tuned, folks!

• **UFC Gyms** President, **ADAM SED-LACK**, announced that **UFC Gyms** opened a brand new **42,000 square-foot facility in Huntington Beach, California** with a full day of activities on **May 13th**. **UFC Gyms** is a spin-off of **UFC**, a premium global sports brand and the largest Pay-Per-View event provider in the world. Since debuting in 2009, **UFC GYM** has opened more than **135 locations** throughout the **United States, Australia, Bahrain, Canada, Oman, Philippines, South America, Taiwan, Vietnam and the United Arab Emirates**. The **UFC** fitness franchise has continued to grow at a rapid pace with more than 50 locations opening in the past two years, and over 50 gyms expected to open in the next year.

• **The Federal Drug Administration (FDA)** has approved **Radicava (Edaravone)** as treatment for **ALS**! On **April 8th**, the FDA announced that it has granted approval to **MT Pharma America** to begin marketing **Edaravone** as a treatment for **Amyotrophic Lateral Sclerosis (ALS)**. The approval of **Edaravone** marks the first new treatment to be approved for **ALS** in the United States since **Rilutek** was approved in 1995. **This news must be encouraging to AUGIE and LYNNE NIETO as they continue their 12-Year War On ALS.** Check out the **Press Release** on **Page #22**.

• **Apologies and Corrections.** On the rare

occasion that we make an error in **CLUB INSIDER**, we always write an **apology** and a **correction (IF)** we are aware of it. I must admit I'm a little bit rusty at this particular sort of writing, but today I'm going to have to make **two apologies** and **two corrections, an all-time record for one edition!** **DOLT!**

**Apology #1** is to **MIKE ALPERT, CEO and President of The Claremont Club**, because on a **Page #7 last month**, I accidentally referred to Mike as **General Manager**, when I should have used his correct title: **CEO and President**.

**Apology #2** is to the lovely **LYNNE NIETO** because we renamed her **AUGIE** in the outline on **Page #26**, where we accidentally wrote **AUGIE NIETO** when we meant to write **LYNNE NIETO!**

**We will work harder to avoid making any more mistakes in the future.**

• A comment I've often used in the past: "**Make HAY while the SUN is shining!**" has been one-upped by a comment I will remember and think of forever. This one is from a source unknown: "**The clock of life is wound but once, and no man has the power to tell just when the hands will stop, at late or early hour. Now is the only time you own. Live, love, toil with a will. Place no faith in time. For the clock may soon be still.**"

• **JUSTIN** and I want to say **Thank You** for reading **CLUB INSIDER!**

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

(Norm Cates, Jr. is a 40+ year veteran of the health, racquet and sportsclub industry. Cates is the Founder and Publisher of **CLUB INSIDER**, now in its 24th year of publication. Cates was **IHRSA's** First President, and a Co-Founder with **Rick Caro** and five others, in 1981. In 2001, **IHRSA** honored Cates with its **DALE DIBBLE Distinguished Service Award**, one of its highest honors. Cates may be reached by phone at 770-635-7578 or email at [Norm@clubinsideronline.com](mailto:Norm@clubinsideronline.com))

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## ...LRAC

continued from page 3

any sports?

**Frank Lawrence (FL)** - I was born and raised in Russellville, Arkansas, which is located on Interstate 40 between Little Rock and Fort Smith. I was a typical all-American kid and played multiple sports growing up. By middle school, my favorites and focuses were tennis, baseball and football. I attended Hendrix College, a small liberal arts school in Conway, Arkansas. Hendrix is in the same conference as Rhodes College and University of the South (Sewanee). The only sanctioned men's sport was basketball so I played intramural sports, and we started a rugby club. I did play club tennis for two years while I was there. I graduated with a Bachelor of Arts in Business and Economics.

**C.I.** - What was your professional background prior to entering the health and fitness club industry?

**FL** - I spent 26 years in the banking industry. I was in all areas, including community banking, commercial lending, mortgage lending and senior management.

**C.I.** - When and how did you become involved in the health and fitness club industry?

**FL** - Like lots of folks, once the organized activity of school was gone, I did very little except for the occasional pick-up basketball game. In 1999, at the age of 30, my son was born and I was relatively large at 240 pounds (now, I'm 190). I was taking blood pressure and cholesterol medicine, and something needed to change. I started running. It was awful, and swimming and biking weren't much better. I kept at it; it got better, and ultimately, led to my passion for endurance races. In 2008, I discovered CrossFit. My neighbor and I did it in his garage and decided to open Central Arkansas' first CrossFit box.

That marked my entry into the health and fitness business.

**C.I.** - What were some of your biggest challenges at the start and the lessons learned? How about some recent challenges?

**FL** - As with any business, the main challenge is running it day to day. I have the good fortune to work in a great sandbox, but widgets are widgets. We tell our members that if we're not:

- Responsive to your needs;
- Delivering unsurpassed service;
- Keeping this place 'ship shape';
- Operating with integrity;
- Working as a team;
- And, most importantly, making your life better.

**WEAR US OUT.** We deserve it! My goal when I wake up is to not get 'worn out.'

**C.I.** - How do you go about continuing to learn about the industry?

**FL** - There's a great quote from James Michener:

*"The master in the art of living makes little distinction between his work and his play, his labor and his leisure, his mind and his body, his information and his recreation, his love and his religion. He hardly knows which is which. He simply pursues his vision of excellence at whatever he does, leaving others to decide whether he is working or playing. To him he's always doing both."*

I live my life watching, noticing, experiencing and trying. When I walk into an establishment or use a service, I'm constantly asking myself, 'Is there something here we can adopt that would make us better?' For me, it's like hitting the jackpot when I find a better way or a new idea. I love to refine and reinvent. I also listen to podcasts on a regular basis



Youth Tennis at The Athletic Clubs

and am an avid reader ([audible.com](http://audible.com)). My favorites are mediums for learning life tidbits like *Time Magazine*, *The Wall Street Journal* and the daily newspaper. As for TV, my favorites are *60 Minutes*, *Shark Tank* and *CBS Sunday Morning*.

### Little Rock Athletic Club

**C.I.** - What year was it founded/opened prior to your acquisition? And, in what year was it acquired?

**FL** - The club was opened in 1973 as a tennis-only facility named Westside Tennis Center. The original investors were avid tennis players intent on playing rain or shine. In the late 1980s, Pat Riley, Jr. purchased the facility. His dad was one of the owners of Westside and one of the founding members of the Little Rock Racquet Club (LRAC), which I will tell you more about shortly. Pat had grown up swimming and playing tennis at these facilities. He attended Southern Methodist University (SMU) in the '80s and discovered the Cooper Aerobics Center. There, he met Bill Grantham, Cooper's General Manager, and they became fast friends. Believing a 'Cooper type' facility would flourish in Little Rock, Pat convinced Bill to help him build and manage it. When Pat approached his father about re-inventing Westside, legend has it that his mother was highly supportive because Pat would be back in Little Rock. Regardless, born out of a passion for all things health and fitness related, the team built one of Little Rock's greatest jewels.

Sadly, Bill died of a pulmonary embolism in his 50s. Pat, with the help of Bill's able assistant, Mary Olson, took over the day-to-day operations of the club. With

no heirs, around 2010, Pat began looking for an exit strategy, realizing it would take time to find the right person or group. He found them in long-time friends and life-long users of the clubs.

My partners and I began the acquisition process in 2012, and we closed on it on April 1, 2013. While Pat was happy to turn over the keys, he's still involved. He's certainly an advisor/mentor to me. Additionally, he teaches Foundation Training for us, plays tennis regularly and brings his girls' volleyball team around, occasionally.

**C.I.** - LRAC has an impressive list of services and amenities. Can you tell us about those?

**FL** - We are absolutely full service. Besides the 'pillars' I will discuss, we have thriving personal training, a beautiful Pro Shop, an excellent restaurant, CrossFit, a boutique cycling studio, a smoothie bar, massage, physical therapy, Pilates training, towel service, locker rooms with shower amenities and everyone's favorite, daycare.

**C.I.** - What would you consider LRAC's key market differentiators and why?

**FL** - When I, or we as a leadership group, talk about LRAC, there are four big pillars that we focus on:

**1. Tennis** - Tennis is number one for us. We have nine indoor courts and four outdoor courts. When I compare notes with tennis peers and visit other tennis clubs, it strikes me that we do tennis well. We do it differently than a lot of others do, meaning we make sure our tennis audiences --recreational players, lesson takers, (See *LRAC Page 12*)



Tennis Pro Shop at The Athletic Clubs



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## ...LRAC

continued from page 10

juniors (beginners through regional competitors), leagues and team tennis--all have opportunities to play. We have a nice stable of teaching pros who serve our membership, and it gives them an opportunity to have a good career. There's no doubt; it's difficult balancing our five constituents with fixed resources. However, we've spent the last four years working on the mix, and as a result, we have seen tennis revenue increase substantially and court usage maximized.

**2. Aquatics** - Pool space is kind of like court space around here. It's highly coveted by multiple groups. Lap swimmers, our swim team (the Dolphins, Arkansas' largest and best), swim lessons, AquaFit lovers and recreational swimmers all vie for pool time. System-wide, we have two 25-yard lap pools, a 50-meter competition pool, recreational pools, a sprayground and hot tubs. The maintenance is never ending, but neither is the fun.

**3. Family/Youth** - When Pat started the club, it was a haven for adults, but he quickly heard the outcry. It was one thing to offer daycare, but what about the older children? Message received. Our Down Under Center (DUC) is a 7,000 square-foot activity center where children have their own basketball gym, a large indoor playground filled with special 'soft play' equipment, highlighted by a 27-foot spiral slide and interactive, electronic 'toys,' including Dance Dance Revolution, Wii and Sportwall Training Stations. The DUC is command central for our After School Care Program, spring break and summer camps, Parent's Night Out (affectionately known as PNO), and without a doubt, the coolest birthday parties in Central Arkansas.

**4. Fitness** - I know a lot of my peers' clubs

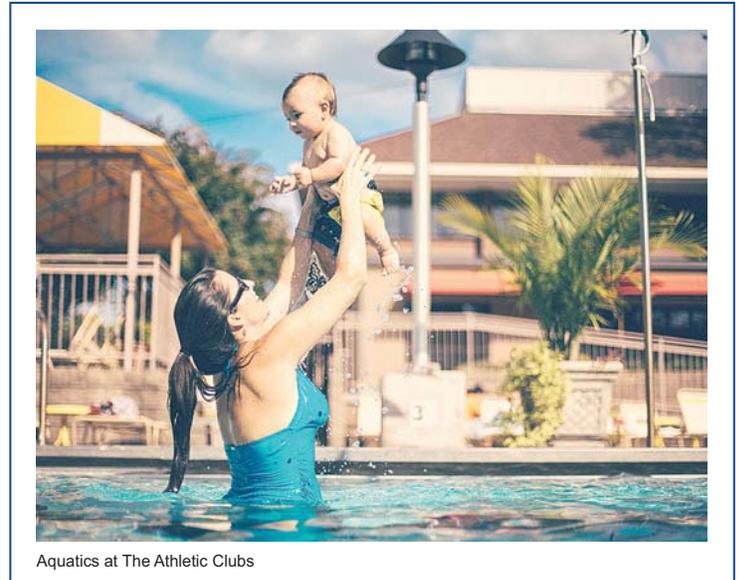
are really focused on personal training, but we believe group exercise is the big driver in our fitness world (Well, that, and we offer every piece of equipment a member's heart desires). We have 135 - 140 classes weekly at LRAC, and they are all included in our membership dues. Because the boutique experience is important to some, we've even remodeled a number of spaces to offer similar, or better, services without paying extra. Like I said before, you can have it all here. We are absolutely a 'platform for the life well-lived.'

### The Athletic Clubs

**C.I.** - LRAC is part of a group of clubs called *The Athletic Clubs*. Please tell us a little bit about each of your other facilities.  
**FL - Little Rock Racquet Club (LRRC)** - LRRC (not to be confused with LRAC) is 3.2 miles from LRAC and is the most similar sister. With such overlap in market reach, the dues structures are the same, the offerings are comparable and the clubs are marketed together. Having said that, an interstate divides the two clubs which, amusing to us, seems to be a 'natural boundary' between the two.

The Racquet Club was founded in 1967 as a member-owned club and is celebrating its 50th anniversary this summer. Pat bought it in 1999. Our performance junior tennis players are trained there as is the majority of our swim team. While LRAC has mainly indoor tennis courts, LRRC has mainly outdoor, including clay, options. During the summer, the campus explodes with children, and social events are planned regularly for the membership.

**North Little Rock Athletic Club (NLRAC)** - NLRAC has had a varied history as far as what it has been used for (including a skating rink). About the same time as the Racquet Club, in the late '90s, Pat purchased the club and brought it into the organization. It's about 45,000 square



Aquatics at The Athletic Clubs

feet and a more traditional fitness-only type facility. NLRAC does have an indoor lap pool and a small outdoor recreational pool, but the Aquatics experience is smaller there. There are no tennis courts, but the youth programs are as exceptional as LRAC's, and the member experience is like hanging with your good friends. Additionally, NLRAC offers the Silver Sneakers program, and those classes are part of a thriving group exercise offering.

**Downtown Athletic Club (DAC)** - The DAC is nestled in a corporate building downtown and is a nice executive-style club. We don't own the club; we manage it for Stephen's Inc.

**C.I.** - Additionally, please describe their attraction as a 'collection' of clubs. And, how do they fit into the overall Little Rock market?

**FL** - The way we measure attraction is through our attrition, and we have amazingly high retention. Attrition rates used to be around 20%, and over the last four years, we have seen those numbers drive down to around 15%, collectively. The Racquet Club is almost in single digits, and the Athletic Club is incredibly strong in the mid-teens. That's what I use as the predominant health indicator, and it tells me that we are doing some things right. Our members feel connected, so they stay.

**C.I.** - Can you touch on any economies of scale you gain from having multiple locations in the local area?

**FL** - From a vendor standpoint, be it supplies or fitness equipment, it certainly helps. More importantly, our reputation is excellent. We're known for running

great clubs.

**C.I.** - Please describe your local competitive environment.

**FL** - Like other markets, there is rapid fragmentation in Little Rock, and we've seen multiple franchise options spring up. Ironically, right when we purchased the clubs, LA Fitness opened three brand new boxes in the marketplace. So, right out of the gate, we were competing against that. Obviously, there's the growth of CrossFit. I was the first CrossFit in Central Arkansas, but now, you can count them on both hands and both feet. We also have two Orangetheory boutiques, a couple Pure Barre boutiques, two spin boutiques and yoga is everywhere. While we're not the 'shiny new penny,' we have variety that they don't. You get it all for way less money here, and no one matches our culture and history.

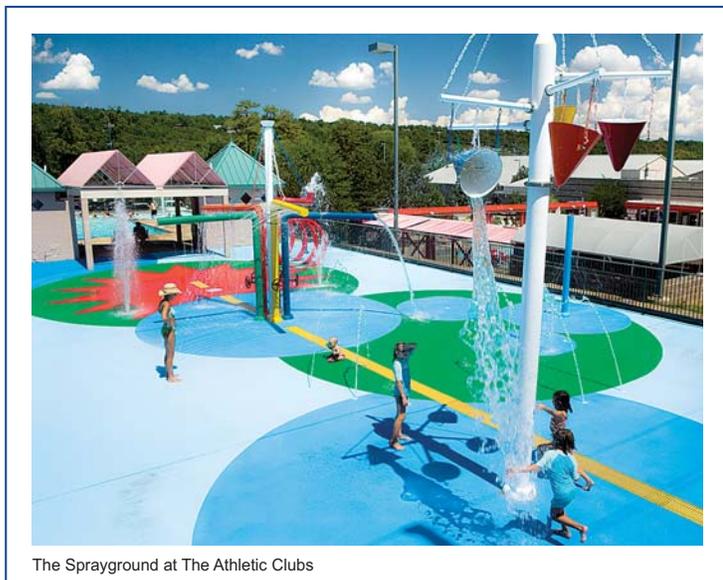
### The Membership

**C.I.** - Please describe your local area demographics and your target for a potential LRAC member. Does this differ from one club to another?

**FL** - The population of Little Rock is about 200,000. But, if you really look at the footprint of where our club is and dissect that, we have a pool of 75,000 to 100,000 people we can draw from. And, you could probably cut that further in half. But, it's a decent marketplace in the South, although it is a small town and has that feeling.

The average age of our current member population is around 46, so the market for us is really 35 - 75 years old. It's both with kids and without, seniors

(See LRAC Page 14)



The Sprayground at The Athletic Clubs



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...LRAC

continued from page 12

who have a high net worth and up-and-coming individuals and families with rising incomes or modest net worth.

C.I. - Do you charge an initiation fee? If so, is it used as a discount incentive?

FL - Yes, that is probably the only thing we 'negotiate,' and we don't really change it much. Normally, we offer a \$100 discount, meaning an individual can join for \$200 instead of \$300. We have found that the joining fee acts as a barrier to cancelling. It helps with our retention because people don't join on a whim.

C.I. - What are your dues rates for the various membership types (single, couple, family, etc.)?

FL - The joining fee is the only place we discount, so our dues are the dues. We want the guy who is working out next to

another guy to pay exactly the same thing, no matter who they are or what they do.

Individual: LRAC - \$91 | All Access (AA) - \$111
Family: LRAC - \$135 | AA - \$175
Senior (Individual): LRAC - \$71 | AA - \$91
Senior (Couple): LRAC - \$103 | AA - \$143

C.I. - How many membership accounts do you have system-wide? And, what is the breakdown of single club vs. all access?

FL - Our all access has grown, as we have promoted that over the past three years. We have a population of about 7,000 memberships across the organization, and we have about 400 that are all access. So, it's still a relatively small number, and it's predominantly people who are using the Athletic Club and the Racquet Club because of their proximity to each other. The fact that we let members move back and forth between clubs easily impacts the numbers of members that might choose all access. However, members love it, so we

haven't discontinued it.

C.I. - You had mentioned 7,000 membership accounts. How many members does this equate to system-wide?

FL - We usually multiply that by 2.5 to get a headcount, so about 17,500.

C.I. - I also noticed you have an online joining system, which is something I don't see as often for facilities of your type.

FL - Yes, that's a big topic. It's something we really want to improve in the future. It's bubbling up as a high priority. We turned it on a little over a year ago, and it works. We get a few members each month through it, but it's clunky because of our club management software. It's not particularly representative of our brand, so it does need improvement.

Culture and Community

C.I. - Please tell us about the mantra of

Play On.

FL - When we bought the clubs, we inherited Pat's 'Guiding Values' document. It was and will continue to be the basis for our brand. However, as the newcomer, it was very important for me to fully identify with it. We went through what we now call a brand clarification process with Little Rock's best brand guy. The result was our Brand Framework (See Sidebar on This Page) and a longer document that we use internally. Rather than shove the documents in a drawer, we use them to make decisions. Anything that isn't on brand isn't happening. We also took the opportunity to have a little fun with our story as told by a long-time member and word master that was involved in the process. He coined our Play On manifesto, which we love (See Sidebar on This Page).

C.I. - Additionally, please elaborate on the five principles of: Fun, Family, Hospitality, (See LRAC Page 16)

The Athletic Clubs BRAND PURPOSE A PLATFORM FOR THE LIFE WELL-LIVED BRAND PRINCIPLE IMPROVE THE DAY CORE VALUES OF THE ATHLETIC CLUB FUN | FAMILY | HOSPITALITY | INTEGRITY | CARE BRAND PERSONALITY GENUINE/APPROACHABLE | KNOWLEDGEABLE | FAMILIAL | HOSPITABLE BRAND PROMISE THE CLUBS PROMISE A POSITIVE, NURTURING ENVIRONMENT SUPPORTING THE MENTAL, PHYSICAL AND EMOTIONAL BENEFITS OF AN ACTIVE, PARTICIPATORY AND HEALTH-CONSCIOUS LIFESTYLE. play on

WHY WE play on Play On. It's what we do. We're a big, diverse family of tennis players, swimmers, runners, CrossFitters, cannonballers, stairmaster-ers, weekend warriors, big kids, little kids and kids who never grew up. We love to run, jump, serve, swim, splash, sweat, lap, lunge, squat, compete and do pretty much any other verb you can associate with fitness. We believe that fitness and fun not only can co-exist, but that they are soul mates that should never be apart. It's why this club exists. And it's why we come to work. It's why, more than ever, we're committed to helping you - our members - play often, play hard and Play On. The Athletic Clubs Little Rock Athletic Club Little Rock Racquet Club Downtown Athletic Club North Little Rock Athletic Club

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**...LRAC**

continued from page 14

**Integrity and Care.**

**FL** - Take a minute and think about all of the planning and work it takes to make guests feel special when you invite them to your home. We try and run our business with that mindset, and it's a huge undertaking. It takes amazing work ethic and high character to manage this day after day. We only look for great staff members.

**C.I.** - In what ways does LRAC reach out to and participate in the community?

**FL** - **25 Days for \$25** - I wish I could take full credit for this, but we got this idea from ACAC. Their '25 for \$25' was really creative. We loved it, so we copied it (laughing). This will be our fourth year. We partner with a local non-profit and do the campaign: **25 Days for \$25**. Basically, the way it works is we do a direct mailer as well as promote it in the club, and the non-profit promotes it. A guest, as well as members, can buy it. They pay \$25 and get a 25-day pass to the club. We donate all the money we raise to the non-profit. We've raised \$7,000 - \$10,000 each of the past few years. The ultimate success comes from how well the non-profit promotes it, so we will see what this year will bring. And, from a self-serving standpoint, I will say that it is a great way to get a pipeline of people interested in the club. It's been a neat program for us.

**ALS** - Obviously, our industry has an awareness of ALS with Augie Nieto and Augie's Quest. We have several staff members who have been directly affected by ALS. For instance, our CFO lost her husband to ALS. We partner with the Arkansas ALS chapter as the presenting sponsor of their annual 'Bike and Hike.'

**Turkey Trot** - We have a local running store called Go! Running, and they do a Turkey Trot on Thanksgiving Day every year. This

thing has grown like crazy. A canned item is the entry price, and they fill up a couple of semis. The events are anywhere from a fun run or walk to a 6-mile trail run. It's just a phenomenal event. We partner with them, help with the video component and promotion and send as many volunteers as we can.

**Disaster Relief** - I know all of our club peers out there are excellent at this, and we, too, will do the local disaster relief activities when bad storms come through. Most of those are one-off types of things.

**C.I.** - Who are your key staff members?

**FL** - **Mary Olson**, *LRAC General Manager*; **Dana Smith**, *CFO*; **Lisa Cooper**, *Fitness Director*; **Kelly Snook**, *Communications Director*; **Nathan Ritchie**, *IT Director*; **Justin Wright**, *LRAC Assistant Manager*; **Cammie Mackey**, *LRAC General Manager*; **Jessica McCrary**, *NLRAC General Manager*.

Too numerous to name are our amazingly talented department heads and managers. The average tenure of our senior staff is 16 years.

**Associations and Greater Learning**

**C.I.** - Is LRAC a member of IHRSA? If so, what benefits has your organization received from membership in the Association?

**FL** - Yes, we are and have been for a long time. And, obviously, the last four years, I have become much more involved and would love to be involved at the Board level. If we are going to spend our time here, we need to do it not only running the business but being an advocate for the industry. So, the IHRSA component is key. I joined the Industry Leadership Council (ILC) this year and spent time involved with that at the most recent convention. From the trade show to the networking to the contacts, it's great. And, I actually got



Group Exercise at The Athletic Clubs

to speak at one of the breakout sessions this year. So, that's how we are using it, as a way to find out what others in the industry are doing; what products, programs and best practices are out there; and how to get better in this whole process.

**C.I.** - You've joined a REX Roundtable. How has this helped you?

**FL** - This is another large component of where we find best practices and peer groups to learn from. I've even involved a number of my key staff in their respective REX groups. I know Will and Eddie aren't IHRSA, but at the same time, they are really connected inside IHRSA. So, we treat it the same way. With that, one of the things I value about REX is that we spend time looking outside our industry for inspiration.

**C.I.** - What is on the horizon for LRAC over the next 3 - 5 years?

**FL** - At the core, it's continuing to be even better at what we do. You've heard me talk about re-invention. It's my opinion that, in business in general, you are either going forward or you're dying a slow death. Our goal is to constantly make ourselves better and/or more relevant in whatever is going on in the marketplace.

Then, obviously, the other big piece is reinvesting in our infrastructure. You've got to constantly add back to the facility. We don't have a mind-blowing cap ex project on the horizon right now, but we've got some critical tweaks we believe members will really appreciate.

We also want to be smarter about how we manage our analytics, data and feedback. We've invested extensive time in our net promoter process and believe

it's really paying dividends in our retention and attrition numbers. We're a big fan of Listen 360 and the information we've gleaned from it.

The last thing I'd add is that we are working on improving how we hire people and how we find 'rock stars' for our organization. Facilities are great, but staff create the experience for members. Finding the best takes a massive commitment in time and energy, but we believe in it.

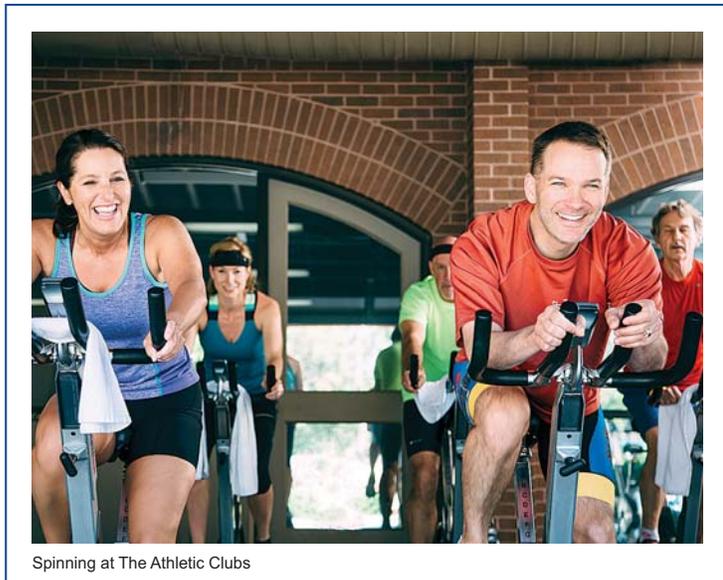
**C.I.** - What are some of your proudest accomplishments in this industry to date?

**FL** - Number one is I haven't screwed this thing up in four years (laughing). It sounds cliché, but I'm dead serious. Pat was the face and the heart behind the organization. My doubts were real, but apparently, I have passed the test. The club is growing, the staff hasn't quit and my partners are still supportive. I try to stay humble, but it does make me proud. Banker to successfully running a club, it's pretty cool.

**C.I.** - To close this great interview, based on your previous background, and now, your industry experience, what advice would you give to anyone whom is considering entering the health and fitness club industry?

**FL** - For me, I look at my background, and I feel it set me up incredibly well for this. As a banker, you are really a generalist. Meaning, as a commercial lender, a mortgage lender, etc., I had to partner with all kinds of different businesses. Whether it was a restaurant, a hotel, a big commercial building, a mom-and-pop daycare or a someone running her household, I had to know something about them and what they

(See LRAC Page 17)



Spinning at The Athletic Clubs

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## ...LRAC

continued from page 16

do, and it's served me well.

The other component is working for a credit union for a couple of years. What was very interesting, and I didn't respect fully until I was recruited by them, is that a credit union *is* banking. It's essentially the same business model as banking, but there is a huge switch that is flipped in the process. In the bank world, it's all about the shareholder. A banker isn't going to tell you that, but at the end of the day, it's all about the shareholder. In the credit union world, it's all about the member because it's a member-owned cooperative.

In the club business, it's also all about the member. Though our organization is a profit-driven, privately-owned business, we wouldn't operate any differently if we were one of the non-profit operations out there, because it's all about serving the member. I really do look at our members as being entitled to some things, just like they would be in the credit union model where they are the owner. So, that component was really good for

my background.

The way then to sum it all up is that a general business background is important. Coming into this setting, I have a dozen different profit centers, a large physical plant, 350+ people to manage, etc. Widgets are widgets, whether you are managing a big factory, managing a mom-and-pop business, or managing a business like this, so you've got to have that general business background. And, in all of those processes, you've got to understand people and how to motivate them, so those relational skills are huge. Again, lastly, the mindset of service and hospitality is a huge component.

• • •

Thank you very much to **Frank Lawrence** for his time interviewing and efforts contributing to sharing this story with you, our readers. Thank you also to **Kelly Snook** for her assistance throughout the process. *Play On!*

*(Justin Cates is the Assistant Publisher of CLUB INSIDER and grew up in the health*

*and fitness club industry. Justin was born into a club business family in 1985, and from the age of eight, he spent his non-school and sports hours in a home that doubled as CLUB INSIDER Headquarters. He has lived and breathed this industry for 32 years, since his own day one. Cates graduated from the Terry College of*

*Business at The University of Georgia in 2007 and then went on to two years at The Art Institute of Atlanta, where he studied Interactive Media Design. Now, he is an integral part of the "Story" of Norm Cates and CLUB INSIDER. Justin can be reached by phone at 423-314-4310 or email at Justin@clubinsideronline.com)*



CrossFit at The Athletic Clubs

# How to Develop a Fitness Center Business Plan

By: Jim Thomas

Running a gym or fitness center is a dream for many people. The work is rewarding, and you are your own boss. However, having success is harder than many people realize. Although your work is important, you must make a profit when running your business. Developing a fitness center business plan will take some work. But, it is well worth the effort because it should become the road-map for your business. If you want to have success running a fitness center, **you need to follow three key principles:**

- Put Members First;
- Reduce Expenses;
- Market to New Clients.

## Put Members First

A lot of fitness centers are difficult for members to enjoy. Building a quality experience for members is first on your priority list. There are many fitness options that your members can choose from. If it is not fun for members, they will choose somewhere else for their fitness needs.

The common mistake here is not

creating a member experience that keeps people wanting to come back. They will only join and come for their reasons, not yours. Why should prospects choose your fitness center over all other options? What are you providing that others aren't?

## Reduce Expenses

When starting out in business, the expenses get increased quickly. As a business owner, reducing expenses leads to higher profits over time. Always make sure to think about the financial payback of every decision you make. It is tempting to upgrade your facility to the nicest one in town. However, you really need to market to your core customers in your local area. Spend money where it matters. But, never spend so much that you go out of business.

The common mistake here is to think everything will go right, and it rarely does. When evaluating your expenses, the key initially is to do more with less.

## Market to New Customers

Marketing is essential for any new business to have success. A lot of business owners struggle in this area

People who own a fitness center would rather be working with clients on their diet and exercise program. However, there are a lot of benefits to marketing. Especially when starting out, make sure to spend a considerable amount of time marketing to new clients. Starting a fitness center is not easy, but we are here to help in this process.

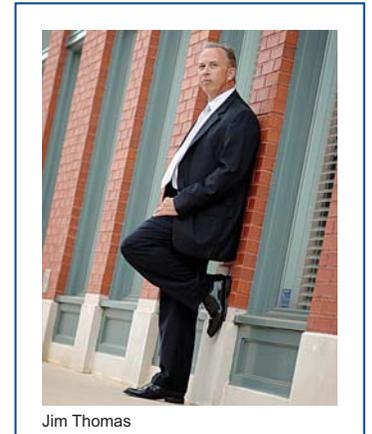
Marketing will not only help drive new customers to your gym. It will also help support a dedicated sales team and will do wonders to help keep competition back on their heels.

The common mistake in this area is to think one or two marketing efforts will get the job done. In the end, you must take massive action so that you are everywhere the customer is... all the time.

Every fitness center is different. This is why it's important to look at the successes that your business has had --and the things that might not have worked out quite so well-- so that you can start putting more of a focus on what really works.

## Now, go plan for success!

(Jim Thomas is the Founder and President of Fitness Management USA Inc., a management consulting, turnaround and



Jim Thomas

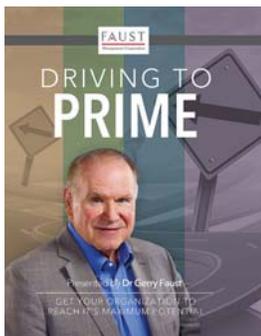
brokerage firm specializing in the fitness and health club industry. With more than 25 years of experience owning, operating and managing clubs of all sizes, Thomas lectures and delivers seminars, webinars and workshops across the globe on the practical skills required to successfully to overcome obscurity, improve sales, build teamwork and market fitness programs and products. Visit his website at [www.fmconsulting.net](http://www.fmconsulting.net) or [www.jimthomasondemand.com](http://www.jimthomasondemand.com)

## Here's a Special Offer for Our CLUB INSIDER Friends:

**A 50% Off Discount on Dr. Gerry Faust's New DVD series, Driving to Prime!**

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## “Diet” Products Can Make You Fat, Study Shows

ATHENS, GA - High-fat foods are often the primary target when fighting obesity, but sugar-laden “diet” foods could be contributing to unwanted weight gain as well, according to a new study from the University of Georgia.

Researchers found that rats fed a diet high in sugar but low in fat, meant to imitate many popular diet foods, increased body fat mass when compared to rats fed a balanced rodent diet. The high-sugar diet induced a host of other problems, including liver damage and brain inflammation.

“Most so-called diet products containing low or no fat have an increased amount of sugar and are camouflaged under fancy names, giving the impression that they are healthy, but the reality is that those foods may damage the liver and lead to obesity as well,” said the study's Principal Investigator, Krzysztof Czaja, an Associate

Professor of Veterinary Biosciences and Diagnostic Imaging in UGA's College of Veterinary Medicine.

“What's really troubling in our findings is that the rats consuming high-sugar, low-fat diets didn't consume significantly more calories than the rats fed a balanced diet,” Czaja said. “Our research shows that in rats fed a low-fat, high-sugar diet, the efficiency of generating body fat is more than twice as high. In other words, rats consuming low-fat high-sugar diets need less than half the number of calories to generate the same amount of body fat.”

Over a 4-week period, researchers monitored body weight, caloric intake, body composition and fecal samples in three groups of rats. One group of test subjects consumed a diet high in fat and sugar, another group was fed a low-fat, (See UGA Study Page 19)



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**...UGA Study**  
continued from page 18

high-sugar diet and a third group was given a balanced or "normal" diet.

Both the low-fat, high-sugar and high-fat, high-sugar groups displayed an increase in liver fat and significant increases in body weight and body fat when compared to the balanced diet group. Liver fat accumulation was significant in the high-sugar, low-fat group, which Czaja said, "is a very dangerous situation, because the liver accumulating more fat mimics the effect of non-alcoholic fatty liver disease."

Non-alcoholic fatty liver disease is caused by fat buildup in the liver, and serious forms of the disease can result in liver damage comparable to that caused by heavy alcohol use.

The unbalanced diets also induced chronic inflammation in the intestinal tract and brain. Former studies in rats conducted by Czaja have shown that brain inflammation alters gut-brain communication by damaging the vagus nerve, which controls sensory signals, including the brain's ability to determine when one is full.

"The brain changes resulting from these unbalanced diets seem to be long term, and it is still not known if they are reversible by balanced diets," Czaja said.

This study expands upon the researchers' previous work that determined high-fat diets alter the gut microbiome, the collection of bacteria, viruses and other microbes that live in the digestive tract. The recent study found that the unbalanced diets decreased the microbiome's bacterial diversity, and the low-fat, high-sugar diet increased gut bacteria that are associated with liver damage.

The study was published online in the journal *Physiology and Behavior* and is available at [bit.ly/clubinsider33](http://bit.ly/clubinsider33). Co-author Claire de La Serre, an Assistant Professor of Foods and Nutrition in UGA's College of Family and Consumer Sciences, conducted metabolic analysis for the study.

# Mining for “Sales Gold”

**By: Casey Conrad**

For many readers, spring has sprung, and that means consumers are coming out of winter hibernation! Shorts are being tried on, and soon enough, bathing suits will be worn. As a result, spring is a time when many consider re-starting the exercise program that has fallen by the wayside.

For health and fitness facilities, this means that spring is an ideal time to tap into databases of prospects and former members who have had some exposure to your business. As we know from published studies by IHRSA, a person is 300% more likely to join a fitness facility that he has been exposed to as compared to an advertisement he sees or receives.

Unfortunately, many salespeople don't like to mine databases, but rather, prefer to talk to new prospects because it's easier. This is very sad because there is absolute *GOLD* in every facility's database! In this article, we will explore which databases salespeople should focus on and provide specific scripts for successful communication.

## Database Focus

A facility that has been operating for any length of time will have a myriad of databases: former members (often called Alumni), missed tours, local guests who used the club but didn't tour, call-ins who never toured and web leads who never responded. The amount of information the facility has on the prospect will depend upon the type of lead. Former members and missed tours should have the most complete information, i.e. email and/or phone number.

As someone who is an “old time salesperson,” I personally believe that the most successful database mining happens when you can physically speak with someone. I'm sure there are millennials who would beg to differ. We'll talk about texting and email at another time, but I'd like to start with former members and missed tours.

When reaching out to former members, experience has shown that it is best to focus on those who were members at least 12 months prior. So, if it is May of 2017, anyone you contact should have cancelled prior to May of 2016.

The reason for this is that enough time has lapsed that the chances of this

person having a greater need to re-start an exercise program is higher. This is NOT to say that a more recent cancellation wouldn't be interested, but we are simply trying to maximize the success of calls. Obviously, as the salesperson is making calls, it's important to locate and read any pertinent information about why that individual left, which can be used to better customize the outreach.

With missed tours, the opposite strategy holds true; salespeople should start with the most recent and work backwards. The goal is to find individuals who still want to exercise but haven't joined elsewhere yet.

## Call Strategy

There are four stages to any sales call: the introduction/pre-qualifying, the qualifying/probing, the closing for the appointment (even if that means next call/contact) and the wrap-up. Of course, the goal with any prospect call is to identify what the prospect wants, let him know that the facility can meet his needs and to set up for an in-person appointment.

Calling those who missed tours can take on several variations depending upon (a) whether or not the salesperson was the one who worked with the prospect and (b) how much time has passed since the prospect's visit. Regardless of the differences, the ONE similarity is a critical question that basically sets the stage for whether or not the prospect will ultimately turn into “gold,” i.e. a member. That question is, “Are you exercising at another facility now?” Let's take the example of a prospect who had toured the facility eight months ago with a salesperson who is no longer at the club.

**Salesperson:** Hi, is \_\_ (Bob) \_\_ there?

**Prospect:** Yes, this is he.

**Salesperson:** Hi, Bob, it's Casey Conrad from ABC Club, how are you today?

**Prospect:** I'm fine, how can I help you?

**Salesperson:** The reason for my call today

is that I was going through our records and I noticed that, back in July of last year, you came into the facility and took a tour with Ryan. I see that your interests were in losing some weight and toning back up because you were feeling a bit sluggish. May I ask, ‘Are you exercising at a fitness facility now?’

Obviously, if the answer to the question is “Yes,” then the salesperson would ask them “Where” and “Was that facility meeting all their needs?”

If, however, the prospect replies “No,” the salesperson would then go into a second sequence of questions that might flow like this:

**Salesperson:** I'm curious, Bob, when you came in and toured, was there something that you were looking for that we didn't have?

**Prospect:** No, I just got so busy with work and the kids that I didn't start.

**Salesperson:** Well, do you still want to lose a few pounds and tone up?

**Prospect:** Yes.

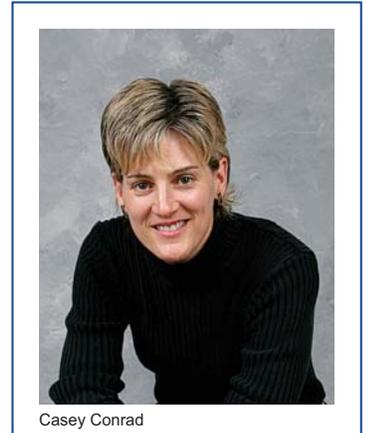
**Salesperson:** Now, when you visited last time, were you able to be brought through an introductory workout with one of the fitness trainers?

**Prospect:** No.

**Salesperson:** I tell you what Bob, since you still have your fitness goals, and we seemed to have everything you were wanting, let's set up a time for you to come in for a free workout with one of the trainers. We can sit down and revisit if now might be a better time for you to start. What hours would be best for you: morning, afternoon or evening?

From there the salesperson would simply set up the appointment and finish the phone call.

What is important is the critical question: “Are you exercising at another facility now?” This question is really the



Casey Conrad

only relevant question to a salesperson! If they aren't working out somewhere else, then the door is wide open for getting that person re-engaged in the possibility of joining your facility. It really is that simple to use.

The best news is that calling former members follows a similar format: “I was going through our records and noticed that you were a member with us from X to Y but that last \_\_ (month) \_\_ you left the club. May I ask, are you currently working out at another facility now?” If the answer is “No,” and they still live in the area, then the salesperson's focus should move to asking the prospect, “What types of changes have you noticed in your fitness level since you left?” Hopefully, that leads to a discussion of new goals, discovering why they left the club and the possibility of getting them back in to try your club again.

Every club has literally thousands of names of prospects that, at one time or another, had some connection to the facility. All too often, salespeople put all their focus on new prospects, believing that they will be easier to sell. Not true! With the summer months coming and people thinking about getting into shorts and swimsuits, now is the ideal time to print out prospect lists, dust off call scripts and get your team dialing for dollars, i.e. gold nuggets just waiting to be mined.

*(Casey Conrad is a long-time sales and marketing consultant in the fitness industry. She is the author of Selling Fitness, Selling Personal Training, Internet Marketing for Health & Fitness Facilities, The Business of Yoga, and her most recent book, Hidden Profits; the real truth about making money in the fitness industry. Casey can be reached at [CaseysHealthClubTraining@yahoo.com](mailto:CaseysHealthClubTraining@yahoo.com))*



# Do Your Due: Are Your CPTs Still Certified?

By: Angie Pattengale

It's not enough to check if your new hire is a *currently* Certified Personal Trainer (CPT), you should do this on an ongoing basis. In this industry, we know that a certification credential has a shelf life which requires continuing education. As a CPT, it is necessary to continue a course of educational experiences, which can be found in many forms. Some trainers attend seminars at trade shows. Some get their continuing education credits through online coursework or hands-on training events. Either way, or all of the above, it's a requirement for recertification through any certification agency (any credible one anyway) to continue a learning path that keeps knowledge fresh and the trainer on the up-and-up. But, how do you know if your club trainers are keeping up on the up-and-up? *Do you check?*

## Verification Made Easy

Club employers accept the responsibility of their hiring decisions. It's part of the job as a hiring manager, a human resources person or anyone put in charge of the hiring process... to be *sure* that a new prospective employee is representative of the core values of the company. You probably perform a background check or search social media for any questionable behaviors or concerns, and you definitely confirm that their credentials are legitimate, right?

Given our access to just about any kind of information we want (or don't want) online, these verifications are as easy as it gets, and they should not be overlooked. Make this part of the checks and balances routine that your club performs on a consistent basis.

I recommend an annual rotation of certification verifications, depending on the number of trainer employees and the start/end dates of their respective certifications. If your club does not already do this, you should consider documenting certification expiration dates, just like you would any other pertinent piece of employee information. Put it into a spreadsheet or other employee management application, which allows you to quickly reference those trainers who are approaching or are past their recertification dates.

If your club has the capability of getting fancy shmancy about it, then consider the tech buildout of an automated process that notifies you, the employer, and also notifies the employee when their CPT credential is approaching the required recertification date. I would suggest setting this process to start 60 to 90 days out to allow for preparations for recertification to be made, if they have not been already.

There are many online databases that connect trainer to client and client to trainer in a marketing method or Angie's List sort of way. These are great. But, they're either subscription based-platforms or they require a buy-in of the certification agency/its CPTs in order to be listed and found in the respective online database. So, I like to go straight to the source or at least go to a source that is representative of the larger whole and does not require monetary barriers to entry. I recommend two certification verification sources:

**1. Straight to the source:** ALL certification organizations with an accredited certification offering will also have an online personal trainer database. Check the certification company's website to verify your trainer employees' credentials. Your employees should be representative of many certification credentials, whether it's one or seven, all of these certification providers should have a place on their site to do a quick search for current certification

status. *Easy.*

**2. Use a source that represents the largest industry cross section:** *IDEA Health and Fitness* is the largest membership association for certified personal fitness trainers, and they happen to have a professional directory that allows for quick searches of certification credentials from 100 different fitness certification/training organizations. Their directory is called *FitnessConnect*, and it's built out for auto-verifications that will immediately change the status of the registered member upon their certification expiration. Check it out at [www.idealife.com/fitnessconnect](http://www.idealife.com/fitnessconnect). Also, *easy.* **Note please:** I don't work for IDEA, and I have no stake in that game. But, I do use their registry, and I recognize it as an unbiased verification source that is not profit-driven.

## Bottom Line

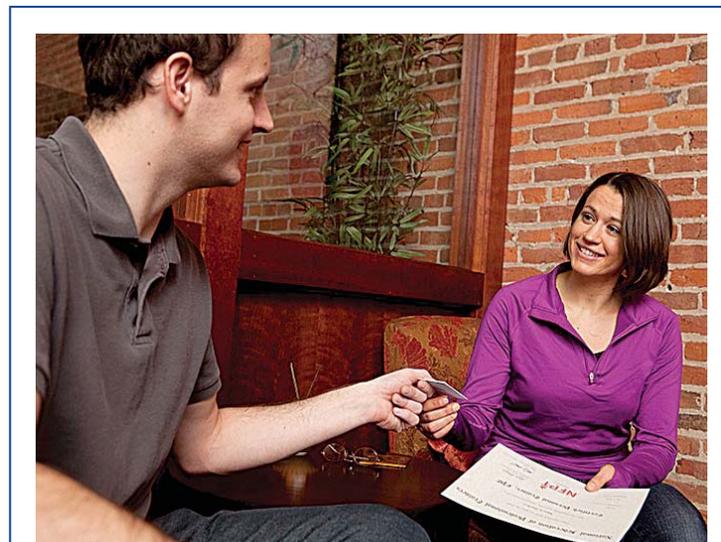
I'm the *Certification Director* for the **National Federation of Professional Trainers (NFPT)**, and I've seen the consequences, on both the trainer side and the club side, when something as simple as certification verification is *not* done. If the trainer waits until the last minute before thinking about recertification, then they risk losing their job, or worse, their livelihood. And, if the club manager does not think to check the legitimacy of the



Angie Pattengale

certificate and keeps trainers on the floor who have lost their certifications due to inactivity, then they could *learn an even harder lesson.* Don't risk your reputation and your business simply because you aren't verifying certification credentials. Verification of certification is so easy to do that *there's no reason not to be doing it.* If there is not a process in place in your business already for verifying certification credentials, consider putting one in place immediately. **It's never too late to start doing better.** And, this is a "better" that is *easily* achieved. Avoid risky business with some simple checks and balances.

*(Angie Pattengale has been with the National Federation of Professional Trainers, NFPT, since 1994. Currently, she serves in the capacity of Certification Director. Angie received her professional degree from Purdue University's Krannert School of Management in 2002, and she now oversees the coordination of NFPT's certification-related activities. Angie manages the efforts of those working to assure legal defensibility of test development and delivery. She maintains and promotes the NFPT Certification mission as it relates to health, public safety, industry authority and related functions for accreditation and best practice standards. Angie also serves the NFPT organization and its members by maintaining accessible certification processes and recertification requirements. She strives to promote NFPT certified trainers for their skills, their hard work and dedication to their profession.)*



The National Federation of Professional Trainers

# Is Your Organization Culturally Congruent?

By: Karen Woodard-Chavez

What??? Is my organization culturally congruent??? What does that even mean? It means that the stated culture and the existing culture are the same. It means *we walk our talk* at all levels, **guaranteed**, rather than just *talk our talk*. For a visual representation, take a look at the diagram on **This Page**.

You see that there are *two circles*: one representing the **Existing Culture** and one representing the **Stated Culture**. The intersection or overlap area of *Existing* and *Stated Cultures* represents the **Cultural Congruence**. Ideally, in your organization you would 100% overlap. That is ideal. However, *that is not always reality*. BUT, it is good to find out what your cultural congruence is so you know what work needs to be done in your organization to improve the culture. In a moment, I will give you an exercise you can do to determine the Cultural Congruency in your organization. Before we go to the exercise, lets talk about *why* Cultural Congruency is important to your organization.

My assumption is that every CEO, Senior Leadership Team, Owner and Manager has a stated vision, mission and core values for his organization and expects that all staff not only know how to deliver but actually does deliver them, and furthermore, believes and buys into them. What??? This is not actually true? Ahhhhhhhhh... this is a classic example of *cultural incongruence*. The problem with cultural incongruence is that it means you have staff who are making decisions and taking action based not on the vision, mission and core values of your organization but on their own experiences, and perhaps, needs. By doing so, they may not be acting in the best interest of the organization.

When you can get as many people in your organization as possible making decisions and taking action based on a platform of vision, mission and core values, then your organization becomes more effective and authentic at accomplishing the vision and mission. When you accomplish that, you also start retaining people and attracting better people. Thus, it is important to know where your organization's culture is at any point in time regarding congruency. Let me introduce you to an exercise that will help you better understand that point.

The purpose of this exercise is to demonstrate visually how the staff truly feels about the congruence between the "stated" culture of the organization and the "existing" culture of the organization. It will be very revealing and spur some very interesting conversation about what can make the organization more authentic, and thus, stronger. Be prepared to have some conversation.

Plan on 20 - 30 minutes for the exercise and the discussion. Also know that this exercise is an opener for future discussions and how to make significant cultural change in your organization.

## How to set up and explain the exercise:

1. Ask the group to define congruence.
2. On a screen or flip chart, display the image that is with this article.
3. Explain to the group that, in every organization, there is a "stated" culture, which equals who we say we are with our core values, our vision, our purpose, our culture, our marketing materials, etc. There is also an "existing" culture, which reflects the reality of our behavior and that may or may not be congruent with the

"stated" culture.

4. Explain that the ideal situation between stated culture and existing culture is 100% overlap. In other words, who we say we are is actually who we are across the organization. However, that is ideal. That is not always reality.

5. Give each staff person a blank piece of paper and have them draw *two large circles* that represent stated and existing culture and the congruence or overlap between the two as they perceive, observe and experience it in the organization. Ask them to shade the overlap area once they have drawn their circles. Give them two minutes to do so.

6. Once everyone is done with their drawings, have everyone stand in a circle and show their drawings to all in the circle at the same time.

7. You will see a *variety* of overlap.

**This is where it becomes interesting. You will want to allow time for discussion to the following questions:**

Ask the staff:

*What are they seeing with all the different drawings?*

*What are specific examples of when there is high congruency?*

*What are specific examples of when there is low congruency?*

*What can we do to create more congruency?*



Karen Woodard-Chavez

When you introduce this exercise, it should precede a meeting meant to discuss the direction of your organization and how it can become better. If you are willing to be open, honest and patient in these discussions, you, as a leader in your organization, will learn much from the collective genius in your staff to create an even stronger organization. Remember to measure again in the future after you have taken actions to improve the organization. In doing so, you should see even more congruence in your culture.

(Karen Woodard-Chavez is President of Premium Performance Training in Boulder, Colorado and Ixtapa, Mexico. Karen has owned and operated clubs since 1985 and now consults and trains staff throughout the world on sales, service, management and leadership. These services are offered on-site, online and through her books, manuals and DVDs. Karen can be reached at [karen@karenwoodard.com](mailto:karen@karenwoodard.com) or 303-417-0653.)

## FDA Approves Radicava (Edaravone) as Treatment for ALS

CAMBRIDGE, MA - The Food and Drug Administration announced it has granted approval to MT Pharma America to begin marketing Edaravone as a treatment for amyotrophic lateral sclerosis (ALS). The approval of Edaravone marks the first new treatment to be approved for ALS in the United States since Rilutek (Riluzole) was approved in 1995.

"This announcement is an important one. The approval gives people with ALS and their doctors a new treatment option to explore together. ALS is a complex disorder, and it will require multiple different approaches to bring relief to all those diagnosed with ALS. With

several additional potential treatments in clinical trials today, this is a uniquely hopeful time for the ALS community," said **Steve Perrin, Ph.D., CEO & CSO of the ALS Therapy Development Institute (ALSTDI)**.

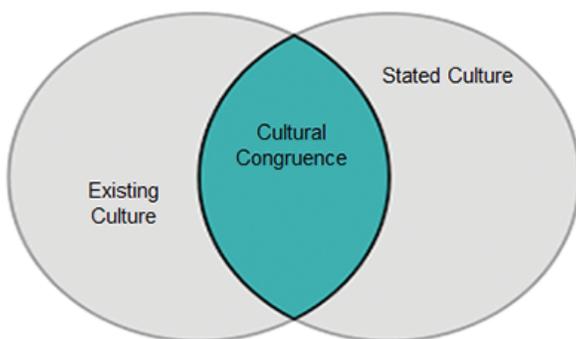
The ALS Therapy Development Institute held a public webinar to discuss Edaravone with the ALS community.

### Key Highlights

- Edaravone will be marketed as Radicava in the United States. Here is a link to the approved drug label from the FDA.

(See *ALS Treatment Page 23*)

## Cultural Congruence Exercise



# Utilizing a Cease and Desist Letter to Enforce Your Legal Rights and Protect Your Interests

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

What is one of the first things you should do upon learning that one of your former employees is in violation of their non-compete agreement, soliciting your current and former clients while working for your greatest competitor? What actions should you initially take upon discovering that another health club is using your protected logo or engaging in any activity that violates your legal rights or damages your protected interests?

A *cease and desist letter* can be the most efficient and effective initial legal action when seeking to stop the actions of a party that is in violation of contract, harassing employees or members, infringing upon intellectual property, etc. However, what should be included within a cease and desist letter? And, just as importantly, what content and related conduct should be avoided to ensure that you don't expose yourself to subsequent liability?

The following is an overview of cease and desist letters and how they can help to enforce your legal rights and protect your interests. However, this article is not intended as legal advice. Widely varying laws specific to each jurisdiction prohibit one-size-fits-all recommendations. Please consider these comments as merely an educational guide to assist you when you consult your own attorney for specific direction.

## Why a Cease and Desist Letter?

It's no secret that litigation is expensive. While often necessary, litigation can, at times, be avoided with the help of a properly drafted cease and desist letter.

## ...ALS Treatment

continued from page 22

- Edaravone was approved in Japan in June 2015. It was approved shortly thereafter in South Korea. It was approved by the FDA in the U.S. in May 2017.
- MT Pharma America filed for marketing approval in the U.S. in August 2016 without conducting clinical trials in the U.S. first. This is a very unique path to approval as it has been historically uncommon for the FDA to accept applications without U.S.

Whether the issue involves the violation of a non-compete agreement, trademark infringement, harassment, defamation or any other prohibited conduct, a letter that details the exact activities at issue and the consequences of the continuation of these activities may help to resolve the issue without costly litigation.

## Who Should Draft the Letter?

Once you've gathered your facts and identified the activity at issue, speak with an attorney to verify that your claim stands on solid ground. Your attorney will evaluate the merits of your claim and identify any related areas of potential exposure for you and/or the offending party. Ultimately, the letter should be drafted by a law firm on their letterhead to convey the message that you are taking the matter seriously and are willing to pursue further legal action. Most attorneys will meet with you and draft such a letter for far less money than you may think. However, be sure to retain an attorney who is well versed in the law as it relates to your specific issue.

## What Should Be Included Within the Letter?

The letter should make clear that you are represented by the drafting attorney. If the letter relates to a specific contractual agreement or intellectual property dispute, details such as the date of the agreement and the parties involved, or the identifying registration numbers as they relate to the intellectual property at issue, should be included within the letter. A detailed explanation of the prohibited actions should follow. By including

clinical trial data.

- Edaravone is delivered via intravenous infusion 10-14 days at a time followed by a drug holiday of similar length.
- MT Pharma America aims to have Radicava available for use in the U.S. by August 2017.
- People with ALS looking to learn more should visit [www.mt-pharma-america.com](http://www.mt-pharma-america.com) or [www.radicava.com](http://www.radicava.com).

relevant facts and details, the receiving party will realize that you are fully aware of the exact activities at issue and that you have been diligently gathering valuable and necessary documentation to pursue legal action.

Inform the infringing party of the exact date by when you expect the prohibited activity to cease. When applicable, include a settlement payment request within the letter with a strict deadline for payment. Explain the actions that you will take should the infringing party fail to comply with your demand. Invite the party at issue to specifically respond to your letter. Their response may foster constructive dialogue that leads to additional fact-finding or the resolution of the issue. Alternatively, it may confirm your need to promptly file a lawsuit rather than allowing additional time to pass.

If a third party is involved, such as an ex-employee's new employer, consider whether a letter to the third party is warranted. While an ex-employee's violation of a contractual agreement will not give rise to a cause of action against the new employer, putting the new employer on notice of the ex-employee's contractual breach, and your intention to pursue legal action against the ex-employee if necessary, may cause the new employer to rethink their hiring decision and potentially mitigate your damages.

## What Not to Do?

Do not send a cease and desist letter until all relevant facts have been evaluated and confirmed. For example, an inaccurate or baseless claim accompanied by a threatening cease and desist letter to an ex-employee and their new employer can give rise to a tortious interference with contract claim should the ex-employee suffer resulting damages.

Avoid hyperbole or inflammatory language designed to intimidate the receiving party. Focus on the exact legal rights at issue within a firm and concise message. Ultimately, the goal of the letter is to stop the prohibited activity while avoiding costly litigation, rather than adding any fuel to an already existing fire. A letter that clearly details the activity at issue paints a strong picture of the merits of your claim and explains the consequences for non-compliance with your demand and is more likely to lead to a resolution of the matter versus a letter containing general claim information and exaggerated language.

Once you have sent your cease and desist letter, avoid communication with the infringing party unless the communication



Paul R. Bedard, Esquire

relates directly to your letter. Informal conversations, social media posts and other ancillary communications may dull the otherwise sharp and defined message the letter is intended to convey and may unnecessarily intensify the conflict.

## In Conclusion

A cease and desist letter can be an effective legal shot across another's bow when you need to stop the infringement of your legal rights or interests. However, a cease and desist letter should be drafted only after you have verified the facts at issue and the merits of your claim. The letter should be fact-specific, avoid unnecessarily inflammatory language and invite a constructive response. Furthermore, it should be drafted by an attorney on a law firm's letterhead to convey that you are prepared to take further legal action if necessary. After sending such a letter, avoid unnecessary ancillary communication with the infringing party to avoid the dulling of your formal demand and to minimize the potential for escalation of the issue. Ultimately, a proper cease and desist letter can help to enforce your legal rights and protect your interests without costly litigation.

*(Paul Bedard, Esquire has nearly 20 years of experience in the health and fitness industry. As a practicing attorney, Paul's health and fitness industry operations experience provides him with a unique perspective when advising on or litigating matters involving health club contracts, policies, disputes or injuries. Paul strives to be active in his local community and has served on the Southington Zoning Board of Appeals and the Board of the Central Connecticut Regional Planning Agency. He also volunteers his time and fundraises for various local charities. Paul can be reached at [ppedard@smddlaw.com](mailto:ppedard@smddlaw.com))*

# The Customer Experience: *The New Competitive Battleground*

By: Stephen Tharrett and Mark Williamson

According to research conducted by Gartner, the world's leading information technology research company, 64% of consumers indicate that the customer experience is more important than price when it comes to the brand they choose. Hence the quote from Jerry Gregoire of Dell that says, "*The customer experience is the next competitive battleground.*" To further drive home the point that it's the customer experience, not the tangibles of the offering, that provide brands a competitive advantage is data from another Gartner study conducted in 2016 that shows 87% of firms in the future expect to compete on the basis of the customer experience. None other than Steve Jobs, whose Apple empire was fostered by building an engaging customer experience, noted that "*You've got to start with the customer experience and work back toward the technology, not the other way around.*"

## What is the Customer Experience?

A customer's experience --notice we refer to a singular customer, not an average or typical customer-- represents the blending of every interaction a customer has with your brand. This customer experience can be a one-time occurrence, such as a visit to your website or personal training session, or it can be an accumulation of engagements with your brand, such as 100 visits over the past year. It is essential to understand that, for the vast majority of customers, if not all, an experience is an emotional or intangible outcome from what is often a very tangible set of interactions or touchpoints (e.g., booking a reservation online, taking a group exercise class or waiting to use a treadmill). Seth Godin was clear about the value of creating memorable customer experiences in driving sustainable business growth when he said, "*People do not buy goods and services. They buy relations, stories and magic.*"

Experiences can generate a gamut of emotions, ranging from sheer exhilaration to memorable to joyful to boring to disappointing to rage-inducing. From a business perspective, we want our customers to have experiences that are favorable and memorable, such that they generate love, loyalty, worship and spend; not experiences that create unengaged, disappointed customers and a dwindling supply of clients.

Delivering, or staging, club or studio experiences that generate the

emotional outcomes that lead to love, loyalty and spend are not unlike the experiences that occur organically when you visit, let's say the Grand Canyon or Paris, or are staged such as those in Las Vegas or Disneyland. What we do know is that these memory-making experiences, in particular those that are staged, have several elements in common, those being:

**They are perceived as authentic and real, not fabricated.** Organic experiences, such as those that emerge from a vacation in Paris or hiking the Grand Canyon with a friend, are authentic. Three days in Vegas, three days at Disney, or a day at Build a Bear Workshop may not seem organic or authentic at the surface, but research has shown that many consumers perceive them as authentic. Being perceived as authentic requires a commitment on the part of the organization to stage the experience in a manner that consumers internalize as authentic. It's not as easy as it sounds. In the fitness industry, the experiences fostered by Ecofit in Brazil or Crossfit and SoulCycle in the U.S. are perceived by their customers as authentic.

**They have a specific theme that binds everything together.** Go to Vegas and visit the Venetian or New York New York and you get the value of a theme. Everything that occurs within those environments is tied to a theme. The same can be said of Disneyland, there is a theme that connects every element of the environment. In the fitness industry, brands such as Crossfit and SoulCycle have themes, as do international brands such as Ecofit in Brazil or Gymbox in the U.K.

**They build a stage and use props and actors to bring it to life.** To stage an experience, you need to create an environment that generates emotions around the theme you are staging. This requires thinking theatrically, in the sense you have to build an environment (facility, equipment, programs, messaging and staff) that fosters memorable moments of truth



Stephen Tharrett



Mark Williamson

(e.g., magic moments) where customers connect their emotions with the theme they are living at the moment. Ultimately, you want those emotions to accumulate into a singular magical memory. Think of Disneyland and how each building, every piece of equipment and even the staff are supportive of a particular theme. At Ecofit in Brazil they've designed their facility, and specific points of interaction, to revolve around their theme of being immersed in nature.

Creating and then delivering customer experiences is not something that happens by accident; it requires a plan and that plan is called a Customer Experience Map.

## What is a Customer Experience Map and how do you create one?

As noted above, delivering memorable customer experiences doesn't happen by accident; it requires a plan or map that empowers employees and systems to align each customer's journey with the brand, such that they result in the emotional outcomes that define the desired customer experience. The key ingredients in the recipe for building out a Customer Experience Map (CEM) that fosters and delivers memorable customer experiences, not disconnected collisions between your

customers and the club's tangible goods and services, include:

**Have a brand purpose that is experience-driven.** Your brand purpose is the "why" of your brand. Your "why" provides a framework for the experience. Think about it; without an answer to why, how can you define the experience? A great example of this would be the purpose behind the Lego brand. At Lego, their purpose is to inspire tomorrow's builder. It's not to sell interchangeable blocks or make movies; it's about inspiring tomorrow's builders. This purpose serves as the foundation for the company's CEMs. As you can imagine, a map designed to chart this course would be dramatically different than one intended to deliver on a purpose of building great block toys.

**Have a brand promise that speaks to the experience you expect to deliver.** A brand promise is the promise of value or the experience you say you will deliver and the experience that your customers will come to expect based on their own value set. Going back to Lego, their customer promise is, "*the joy of building and the pride of creation.*" Talk about an experiential-driven promise. Lego isn't focused on the tangibles of building great blocks, creating interesting block models or making movies. Instead, they are promising an experience that, across every touch point of a customer's journey, should generate joy and pride, two incredibly powerful emotions.

**Have a profile of who your customers are.** Every business has more than "one customer type" or what one might call customer tribe. If we were to use Lego as

(See ClubIntel Page 25)



## ...ClubIntel

continued from page 24

an example, it is clear that their customers run the gamut from 2-year-olds to adults who continue to engage in the construction of Lego creations or the construction of their own creations using Legos. In the health and fitness club business, we typically have multiple customer tribes, such as the serious group exercise fanatic, the casual fitness persona who visits the club once or twice a month or the family that is interested in sports activities for their child. Knowing the profile of your customer requires more than intuition or exploring facility usage numbers. It requires a deep dive into their experience built on interviews, focus group sessions, surveys and data analysis. The point of all this is to understand that the customer experience journey will be different for each of these groups, and if you don't have it mapped out, it's likely you won't be able to deliver on it.

**Have an understanding of the realms in which customers engage with your brand.** Today's consumers, your customers, may engage with your brand across multiple realms. These realms may involve the "brick and mortar" space of your club, but it may also involve numerous virtual worlds, such as your website and social media outlets. For example, if you are a club or studio that uses MindBody software, consumers may be engaging with you via Google Reserve. If you are enrolled in ClassPass or FitReserve, then consumers are engaging with you in that realm. If you have a large Millennial population, then your experience on social media needs to be focused on delivering memorable experiential outcomes just as much as the experience within the brick and mortar environment. Understanding what realms exist for your various customer tribes requires open-minded exploration and listening, something that is often challenging to accomplish when you are sitting in the middle of the forest.

**Have an understanding what each of those customer tribes defines as a memorable and delightful experience.** In other words, understand the underlying emotions that the customer defines as memorable. This requires understanding how each tribe or clan defines it cumulatively and across the various touch points of their interaction with the brand. For example, a particular consumer group might define memorable as no hassles; they are able to book their favorite bike for class and not have to wait in line hoping

they get the bike, or not having to wait for five minutes while someone performs three sets on the chest press machine. Another might define the emotional outcome they seek as inspiration. Another may define it as having achieved what they came in to do (e.g., goal achievement). The point is the customer, not the business, defines what outcomes, tangible and intangible, speak to a memorable experience. A serious Millennial group exercise participant will define their memorable experience with the club differently than the Baby Boomer who is a casual fitness user.

**Have an understanding of the customer steps or touch points.** Dr. Seuss, who authored more memorable experiences for children than nearly anyone else, said, "Sometimes you will never know the value of a moment until it becomes a memory." If your goal is to deliver memorable customer experiences, then it requires understanding the value of every moment between your customers and your brand. While many of the touch points for customer tribes are the same, there are instances where they can be considerably different. For example, the Millennial group exercise fanatic may have numerous touch points with you in both the virtual and real world. A Baby Boomer who is a casual user may have no virtual touch points but considerably more and different real-time touch points within the club. The point is, as a business, you have to know what those key touch points are across every realm. Once you know what these are, then you can define what should happen to elicit a favorable personalized emotion that generates a favorable memory.

**Have an understanding of the customer pain points.** Nearly every customer has specific touch points that tend to be

more rage or hassle inducing than others. Having an understanding of where those "pain points" occur is critical to staging memorable customer experiences. For example, some people hate to wait, and if any touch points with a provider causes them to wait, it generates very unfavorable emotions, which ultimately lessens the favorable memories of any experience they might have, including those at Disneyland. Other individuals don't have such negative emotions to waiting, so for them, having a touch point that elicits waiting is not a pain point, but others are. It is essential to comprehend these pain points or hassle junctions. When you know what these pain points are and where they occur, then you can do everything within your power to eliminate them.

As evidenced by the discussion, creating a CEM that your business can use to foster memorable experiences requires considerable thought and effort, not to mention commitment.

### Pulling it All Together

The operators of club and fitness businesses, no different than operators of retail, hospitality or even tech industries, now find themselves entrenched in a competitive environment where consumers desire unique, relevant, and most of all, memorable experiences. The Millennials, more than any other generation, and the industry's bread and butter, treasure experiences over things. They, more than any other generation, seek out brands that are passionate about staging experiences that allow them to create memories with those closest to them. These young consumers are prepared to pay more for experiences, and in doing so, they are influencing other consumers to do the same. As club and studio operators, the

days of offering the biggest facility, having the latest and most equipment or newest, hottest programs at the lowest price are coming to an end. The time has arrived where being able to deliver relevant, unique, and most of all, memorable customer experiences is the path to a sustainable competitive advantage.

### Let Us Help You Master the Art and Science of Customer Experience Mapping

At ClubIntel, we pride ourselves on assisting clients with the CEM process. Some of the solution-driven services we bring to bear for our clients in helping them build a personalized CEM for their business include:

**Facilitating qualitative research with customers.** We use in-depth interviews, focus group ideation, clue scanning and anthropological observation to help understand the emotional responses and the tangible elements of their experience that trigger them.

**Conducting quantitative research, such as surveys and data analytics.** We use surveys to provide quantitative and qualitative understanding of the emotional consequences of the member journey and data analytics to understand the corresponding behaviors. Together, it helps us map out key touch points of the member journey that are emotionally charged.

**Leading constructive ideation sessions with teams to flush out a brand's purpose, promise and voice.** We take what we've learned from our research and assist operators flush out their brand purpose, brand promise, brand personality and voice. This work forms the foundation for creating a CEM and the marketing and operational standards to support it.

**Guiding the construction of a CEM.** Using the insights gained from our research and the brand platform constructed through ideation sessions, we help operators pull together a CEM that can guide every member of their team and thereby provide the stage for fostering memorable, unique and relevant experiences for their members.

(For more information on developing a customized Customer Experience Map for your club or studio, visit our website at [www.club-intel.com](http://www.club-intel.com). Steve Tharrett and Mark Williamson are veteran club business executives and Co-Founders of ClubIntel, a consulting firm serving the industry worldwide. Steve can be reached at [stevet@clubintel.com](mailto:stevet@clubintel.com) and Mark can be reached at [markw@club-intel.com](mailto:markw@club-intel.com))

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# Instinctive Insights Passes 30-Club Milestone

## New Club Launches Up 55% Year-To-Date For 2017

COLUMBUS, OH - Instinctive Insights, a high-tech direct-engagement marketing agency, has just added its 34th health and fitness club customer.

Instinctive Insights uses proprietary, predictive-modeling algorithms and expansive demographic and psychographic data elements to intelligently target

consumer households most likely to be active, thinking about fitness and interested in the types of services and amenities a Club offers.

"The velocity of our growth in the fitness industry has been nothing short of amazing," states **Jeremy Fishel**, Co-Founder of Instinctive Insights.

"We are extremely fortunate to have a great roster of club clients who are telling other owners, executives and marketing professionals about their results leveraging our high-tech, unique approach to direct-engagement marketing. Our growth is as much about their constant evangelism as it is the measurable ROI the campaigns produce."

A total of five Clubs launched their first direct mail campaigns with Instinctive Insights in the month of May, with one also starting a digital campaign using Instinctive Insights' proprietary prospect email-nurturing application, the Engagement Weave™.

"We were pleased when our market study came back with what we intuitively knew to be true. Then, Jeremy Fishel asked, 'Do you want to do it smarter?' After explaining our opportunity for granular marketing, for the same or possibly less than what we were currently spending, heck yes, we were in. Above all, we liked Instinctive Insights' willingness to educate us on the process and emphasis on accurate match backs. We've since seen great client and process management tools and timelines. From a design standpoint, their creative team nailed our brand and related graphics on the first try. Bottom line, at Instinctive Insights, marketing guru and data geek make it splendidly easy for



Jeremy Fishel

'dummies.'" said **Frank Lawrence**, CEO of Little Rock Athletic Club.

Instinctive Insights launched in 2013 after being acquired and rebranded, shifting in focus from utilities to health and fitness clubs. Our team of data-driven scientists, creative artists, project managers and marketing experts are headquartered in Columbus, Ohio, with offices in Atlanta and Baltimore.

If you would like more information about this Instinctive Insights, please contact Jeremy Fishel at (614) 500 - 4070 x4008 or email at [info@instinctiveinsights.com](mailto:info@instinctiveinsights.com).



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## Inclusive Fitness Coalition Launches New Partnership for Inclusive Health

**WASHINGTON, D.C.** - The Inclusive Fitness Coalition (IFC) launched a new charge focusing on building inclusive health communities that provide the 54 million people living with disability in the United States equal access and opportunities for healthy living. This announcement comes as the National Center on Health, Physical Activity and Disability (NCHPAD) and the American College of Sports Medicine (ACSM) are celebrating 10 years of promoting physical activity inclusion under the IFC. In 2007, NCHPAD and ACSM joined forces to begin the national initiative. More than 210 member organizations representing national and international disability, advocacy, fitness, sports, health and rehabilitation interests committed to the common vision of universally inclusive fitness opportunities now have a new charge. Under the umbrella of a global campaign, **Commit to Inclusion**, the new *Partnership for Inclusive Health* will unite national and international organizations behind disability inclusionary practices in healthy community efforts.

This new charge to build inclusive health communities will include Guidelines

for Disability Inclusion in Physical Activity, Nutrition and Obesity Program Initiatives to help people with disabilities who face significant barriers when attempting to access health and wellness activities. The Guidelines are used to assist communities in promoting higher rates of inclusion among their members with disabilities.

Five organizations were announced as early adopters to the Partnership, sharing a commitment to inclusion and ongoing inclusionary activities:

**Active Schools** is bridging the gap to resources and technical assistance for inclusion in physical education and physical activity environments to over 22,000 U.S. schools.

**America Walks** has launched the Designing for Inclusive Health Micro Grant program to foster inclusion in walking and walkable communities.

**National Association of Chronic Disease Directors** has selected five states and 10 local communities to collaboratively build healthy communities specifically designed to include people with disabilities.

**IHRSA, International Health, Racquet & Sportsclub Association** is pursuing partnerships and initiatives for the quest to increase opportunities for people with disabilities through better programming, marketing, and staff training through Universal Fitness Innovation & Transformation (UFIT).

**The American Heart Association** is committed to ensuring that ALL people have access to safe places to be physically active through our advocacy for inclusive policies, development of accessible programs and delivery of education for health and wellbeing, regardless of ability.

Since the 2014 launch of Commit to Inclusion, more than 90 commitments have been made, reaching over 7.2 million individuals with disability internationally. The new Partnership for Inclusive Health will further elevate these commitments and provide a forum around the charge to build inclusive health communities.

*"As IHRSA and the IHRSA Foundation work with health clubs to provide programming and services to people living*

*with disability, we are honored to work alongside our Global UFIT partners led by the UNESCO Chair in Inclusive Fitness and now our Partnership for Inclusive Health partners to achieve a common goal of helping people of all abilities live longer, healthier and more active lives."* - **Amy Bantham**, VP of Health Promotion and Health Policy, IHRSA and IHRSA Foundation

*"The American Heart Association is committed to ensuring that all people have access to safe places to be physically active regardless of ability. We work across coalitions and communities to advocate for inclusive policies. Our staff are trained to develop accessible programs and education for health and wellbeing. In everything we do, we strive to meet people where they are, and we are pleased to join the Partnership for Inclusive Health to increase our own ability to deliver on our commitment."* - **Nancy Brown**, CEO, American Heart Association

View the Partnership for Inclusive Health online at [www.committoinclusion.org/inclusivehealth](http://www.committoinclusion.org/inclusivehealth).

## National Survey from Parker Finds Majority of Americans Hopeful and Optimistic About Aging

**HIGHLAND PARK, N.J.** - Most Americans appear hopeful and optimistic about aging according to a new, national study from Parker, one of America's leading aging services organizations that, this year, celebrates its 110th anniversary. Key findings from Parker's "Aging in America Survey," which examines the nation's changing attitudes and opinions around growing older in the U.S., include:

- A vast majority of Americans (71%) do not fear or worry about aging very much or at all.

- More than half of those surveyed (62%) believe that 80 is not too old to serve in government, run a marathon, be CEO of a Fortune 500 company, teach a class or practice yoga.

- Those surveyed were evenly split (49% each) in describing the experience of growing older in America today with positive words (e.g., "hopeful," "relevant," "vibrant") vs. negative words (e.g., "scary," "depressing," "lonely").

- Nearly two-thirds (59%) of Americans feel that not enough technology innovation focuses on the lifestyles of older people.

- While 38% of Americans feel the most positive thing about getting older is gaining more experience and wisdom, only 1% believes it is acquiring greater wealth

and material goods.

"This survey underscores how American society's views on aging are changing for the better, especially as the Baby Boomer generation reaches retirement age and beyond," says **Roberto Muñiz**, President and CEO of Parker, which for over a century, has been challenging, changing and expanding the idea of what it means to grow older in America. "Seniors are staying more vibrant, active and connected well into their seventies, eighties, nineties and beyond, and society is beginning to embrace that fact."

### Brand New Day for Organization 110 Years Young

A multi-dimensional aging services organization with a vibrant history of long-term care and a special focus on quality-of-life, Parker currently has locations throughout New Jersey in Highland Park, New Brunswick, Monroe Township, Somerset and Piscataway. The organization offers its services and subsidized support to people across a range of abilities and needs, in its residences and in its communities.

To celebrate its special milestone, on May 11th, Parker hosted a 110th anniversary celebration across all its campuses that included activities for residents/participants and families; prepared remarks from Parker executives and elected officials; and a special



"fireside chat" between Mr. Muñiz and **Tao Porchon-Lynch**, 98-year-old master yoga instructor and bestselling author of *Dancing Light: The Spiritual Side of Being through the Eyes of a Modern Yoga Master*.

As part of these festivities, Parker also officially unveiled its dynamic new brand, which included a range of assets, such as a new logo, posters, banners and brand film, which inspires young and old alike to be #WithIt, Parker's campaign that brings to life these ideas about aging in America. Parker partnered with *Ideon*, a strategic branding firm based in New York City, on research, positioning, messaging, design and launch.

"Our new brand emerged organically from what we were seeing and experiencing every day at Parker, all of which was borne out by our survey results," explains Mr. Muñiz. "Beyond today marking a historic milestone, we're

excited to launch our new brand, which seeks to upend outdated cultural notions about aging in America, and challenges all of us to make aging part of life."

### Survey Methodology

Parker's "Aging in America" survey was conducted from March 23-26, 2017 using ORC International's Telephone CARAVAN omnibus using two probability samples: randomly selected landline telephone numbers and randomly selected mobile (cell) telephone numbers. The combined sample consists of 1,018 adults (18 years old and older) living in the continental United States. Of the 1,018 interviews, 518 were from the landline sample and 500 from the cell phone sample. The margin of error for the sample of 1,018 is +/- 3.07% at the 95% confidence level.

## acac Fitness & Wellness Centers Raise More Than \$90,000 for the Focused Ultrasound Foundation

**CHARLOTTESVILLE, VA** - The Focused Ultrasound Foundation announced the donation of more than \$90,000 from acac Fitness & Wellness Centers. The money was raised during acac's most successful "Work Out and Give Back" campaign to date.

Founded in 1984 as the Atlantic Coast Athletic Club, acac offers comprehensive fitness and wellness programming and has more than 65,000 members in 12 locations. Their physician referred exercise program, p.r.e.p., is the cornerstone of acac's medical fitness programming. acac partners with area hospitals, physicians and other healthcare professionals to provide services for people of all ages.

Throughout the month of March, people were able to purchase a 30-day membership for \$30 at any acac location

in support of the Focused Ultrasound Foundation. acac offers this promotion at least once per year, each time benefiting a new organization. Since they began the campaign in 2009, acac has raised more than \$850,000 for organizations in their club communities. Last month, over 3,000 people participated in the campaign, and all of the proceeds went to the Foundation.

"We were honored to partner with acac, as our organizations have a common goal of improving lives," says *Focused Ultrasound Foundation Chairman, Neal Kassell, MD*. "This donation is invaluable in supporting our efforts to advance focused ultrasound as a standard of care and spreading the word about this innovative technology."

The Focused Ultrasound Foundation was created in 2006 to accelerate the development of a new non-

invasive, therapeutic technology that has the potential to improve the lives of millions of patients. Today, focused ultrasound is approved in the United States to treat essential tremor, uterine fibroids, and the prostate, as well as reduce pain from bone metastases. It is also being studied for more than 70 other diseases, including Parkinson's, Alzheimer's, hypertension, and tumors of the brain, liver, breast and pancreas.

Most of the Foundation's annual operating budget comes from private donations, enabling the organization to fund research, foster collaboration, and raise awareness. More than 60% of the budget is allocated to fund research and clinical trials.

"The 30 days for \$30 campaign is a great way to give back to those making a difference in the community," says *acac*

*Owner Phil Wendel*. "Partnering with the Focused Ultrasound Foundation was a natural fit, and we are proud to support a fellow Charlottesville-based organization that is changing lives around the world. We are thrilled with the campaign's success, and we thank everyone in the community for their support and participation."

As part of the promotion, copies of John Grisham's book *The Tumor* were available at all club locations. This short book tells the story of a young father with a lethal brain tumor. His future looks bleak with current medical options, but in an alternate ending, we see ten years into the future when focused ultrasound may be used to successfully treat the tumor. Mr. Grisham has been a member of the Foundation's Board of Directors since 2008 and wrote *The Tumor* to help raise awareness of focused ultrasound.

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## Thanks and Appreciation

At CLUB INSIDER, we are excited to be in our 24th Year of this home-based health and fitness club trade publication! The thought that this publication was *founded to serve an industry I truly love*, and so that *I could become a Mister Mom for my son, Justin*, is still *intriguing and amazing* to us. I wish to extend our most sincere **Thanks and Appreciation** to everyone that's made this amazing 24-year run possible.

A very sincere **Thanks and Appreciation** go to **Rick Caro, Dr. Gerry Faust** and the **Faust Executive Roundtable #1** for helping me decide in 1993 what my home-based business would be. **Thanks and Appreciation** to my long-time friends, **Ron Hudspeth** and **Cathy Miller** of Atlanta's **Hudspeth Report** for the tremendous assistance they provided us during *our first eight years of publication*. **Thanks and Appreciation** to all of the folks at **Walton Press** in Monroe, Georgia. They've done an absolutely excellent job for us all these years and have printed every one of our **281** 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 23 years advertising with us! We also want to say sincere **Thanks and Appreciation** to all of our **CLUB INSIDER Contributing Authors**, past and present, who've contributed *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 24 years now, has truly been a fantastic partner for his Dad in **CLUB INSIDER**. Justin does our editing, publication layouts, all of our website design and maintenance, all of our bookkeeping and subscription processing work, as well as archive management and anything else that needs doing, including writing eight cover stories per year.

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

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

*Norm Cates, Jr.*

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