

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



Herb Lipsman

A Texas Entrepreneur

JULY 2009

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Norm Cates' CLUB INSIDER™

The "Pulse" of the Health, Racquet, and Sports Club Industry Worldwide
Established 1993

Herb Lipsman *A Texas Entrepreneur*

By: Norm Cates

Herb Lipsman was honored by the International Health Racquet and Sportsclub Association (IHRSA) with its prestigious Dale S. Dibble Distinguished Service Award in San Francisco at the 2009 IHRSA Convention and Trade Show. Herb served on the IHRSA Board for four years and has been an active IHRSA member since 1984.

Herb is 52 years old and has enjoyed a wonderful career in the club industry starting as a tennis pro 33 years ago. After years of teaching, Herb moved into club management, and over time, became a club entrepreneur

working for himself. Herb, and his wife Susan, have four children, Travis, Shannon, Adam and Alex and one grandson, Parker. Parker is the son of Herb and Susan's senior son, Travis, and his wife, Kristen. Shannon recently married Blake Searcy, and they held their wedding and reception at the beautiful Stablewood Springs Resort in Hunt, Texas. Adam and Alex both attend Texas State University in San Marcos, Texas.

Herb has a major industry achievement under his belt... helping to turn around The Houstonian Club in Houston, Texas that had been through bankruptcy in the early 1990's.

From that experience, he learned a lot that he's employing these days as the head of The Health Club Company in Houston and President of Stablewood Springs Resort in Hunt, Texas, working with the Founder of the resort, Tom Fatjo, who previously founded The Houstonian.

We caught up with Herb Lipsman in Houston, and the following interview was transcribed from that conversation.

An Interview With Herb Lipsman

CLUB INSIDER (C.I.) - Herb, please tell us about your youth.
(See *Herb Lipsman* Page 10)



Herb Shares Last Minute Words of Wisdom With Daughter, Shannon, Before She Marries Blake Searcy

The "INSIDER SPEAKS" - Be Smart When Dealing With The Press - See Page #6

Planet Fitness Pitches a Sweet Deal to Franchisees at "Discovery Day"

As originally reported on July 8, 2009 at www.clubinsideronline.com:

ST. LOUIS, MO - Planet Fitness is pitching huge incentives to new franchisees at the company's "Discovery Day" in St. Louis later this month; no franchise fee, guaranteed financing, dozens of locations throughout Missouri to choose from, and cash from landlords to help get their gym business rolling.

"This is one-stop shopping for an entrepreneur who can seize a great opportunity and run with it in some very promising markets," said Mark Christie, Planet Fitness' vice president of development. "You won't see a better deal than what we've put together."

The Planet Fitness Discovery Day will take place from 10AM to 2PM on Tuesday, July 28th at Hotelumière in (See *Planet Fitness* Page 7)

Colorado Athletic Club - Boulder City's Largest Club Build in 20 Years

As originally reported on June 10, 2009 at www.clubinsideronline.com:

DENVER, CO - The Wellbridge Company, owner of the Colorado Athletic Clubs, is happy to announce its expansion into Boulder, CO with a \$6 million, multisport, Colorado-lifestyle focused athletic club called Colorado Athletic Club - Boulder. Ed Williams, President of The Wellbridge Company/Colorado Athletic Clubs said,

"We look forward to providing Boulder residents with the opportunity to pursue their indoor and outdoor fitness goals in this flagship club that will be specifically designed with Boulder residents in mind."

Realizing the Boulder landscape hosts the true fitness playground, CAC-Boulder will bring the club outdoors with featuring Boulder's newest outdoor water adventure; a 25-meter, 6-lane saline pool; (See *CAC-Boulder* Page 7)

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- How Technology Improves Referral Success AND Saves Money - By: Casey Conrad
- The Management Mentor Program for Better Club Integration - By: Karen Woodard-Chavez
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- Compete from Fiserv Adds Electronic Agreements and Multiple Payment Types
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- MFA Publishes 2009 Medical Fitness Industry Compensation Survey
- Teens Adopt Healthier Lifestyles Through the Teen Fitness Connection
- Health Club Media Network Agrees to Acquire Alloy Fitness Network
- Study Shows Email Has Significant Impact on Increasing Healthier Lifestyle and Exercise Adherence

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Norm's Notes

•**Hello Everybody!** This is your **CLUB INSIDER Tribal Leader** and **Publisher Since 1993**, now **LinkedIn** and **Tweeting**, checking in! Enjoy your read, and thanks for reading **CLUB INSIDER!** Don't stop until your done, and please don't forget to give me feedback whenever you feel like it!

•**Is America** a great country or what?! **God Bless America!**

•For those of you who do not know, **CLUB INSIDER** is a **Subscription-based Publication**. Before reading on, take a moment and take look at the cover of this edition. If it says **PROMOTIONAL COPY** above your name (where the address is printed), you **are not a Paid Subscriber** to **CLUB INSIDER** and are not reaping the full benefit of a paid subscription to **CLUB INSIDER**. So, let me tell you about our **Subscription Special!** Our normal rate is **\$89 for one year** of print and online access. Our **\$89 Special**, however, includes **18 months** of upcoming print editions and full online access to all **CLUB INSIDER** editions dating back to 2005. In all, that is access to over 50 editions of **CLUB INSIDER** for only **\$89!** Each edition contains educational articles, anyone of which might be very helpful to your club business financially. To learn more about the benefits of a **Paid Subscription to CLUB INSIDER**, or to subscribe, go to www.clubinsideronline.com/subscribe, or give me a call personally at **(770) 850 - 8506**, and I can take your subscription

request over the phone.

•For those of you who have tried to connect with me on **LinkedIn**, I sincerely apologize because I have been **LinkedOut!** I didn't want to be **LinkedOut**, but I wasn't sure how to be **LinkedIn**. **HaHa!** I am now **LinkedIn**, however, and if you have tried to connect with me via **LinkedIn** during the past *couple of years*, your request has now been accepted. If you haven't yet, but would like to connect with me on **LinkedIn**, go to www.linkedin.com/in/normcates. Though I will still be using the phone, email and Indian smoke signals as my primary forms of contact, I look forward to hearing from you on **LinkedIn**. Additionally, and to prove that *old dinosaurs like me can learn too*, **CLUB INSIDER** is now **Tweeting!** Lord, Lord, Lord **WHAT** could be next?! To follow us and view our "**Tweets**" (some will be exclusive only to our Twitter Followers!), go to www.twitter.com/theclubinsider. And finally, one more technology note, our website was recently updated by our resident tech guru, **JUSTIN CATES**, with a fantastic upgrade. Check it out at www.clubinsideronline.com! **Just-in-case** you ever forget his name, just remember: **JUSTIN CATES!** By the way, I owe **all** of this high tech progress to my amazing son, master of many disciplines and **CLUB INSIDER President!** Frankly, I don't know how I made it the first 15 years without him in this role. By the way, we will celebrate **CLUB INSIDER's 17th Anniversary** in

Chicago at the **Club Industry Show, October 14-17th!** Be there or be square! Check out the **Club Industry Ad on Page #29**.

•**WALLY** and **MESHELLE BOYKO** will host their **28th Annual National Fitness Trade Show** in **Reno, August 18-20th**, and I really do hope you will attend. Featured speakers include **RED LERILLE** and **BILL PEARL**. This event will be worth much more to you than your time and expense to attend. Just the great experience of hearing Red Lerille and Bill Pearl speak will be worth the trip. Then, when you throw in presentations by **MIKE CHAET, Ph.D.**; **STEVE LUNDIN, Ph.D.**; **DONNA KRECH**; **JEFFREY KELLER**; **TASSO KIRIAKES**; **KEN REINIG**; **MARK DAVIS**; **MIKE KINCAID** and many more, and with **free Conference** registration, you have a great learning opportunity. Toss in **free NFTJ Trade Show** admission; the **free Awards Dinner**, where **MARK MASTROV** will receive the **National Fitness Trade Journal's Lifetime Achievement Award** and **SCOTT FRASCO**, **MICHAEL ROJAS**, **JOHN SALVITTI** and **JOHN GUELZOW** will receive **NFTJ Distinguished Service Awards**; plus **free** tickets to the **Ms. Fitness USA** and **Ms. Fitness World** contests, we have an industry event like we've never seen before... **ALL FREE!** Oh, I forgot to mention the entire event will be held at the **Grand Sierra Resort and Casino**, where Wally has arranged a great deal for rooms

at just **\$79** per night! Check out **Wally's Ad on Page #25**. Wally and Meshelle Boyko and family, the speakers and the exhibitors all deserve your attendance and support as they celebrate their 28th year in this wonderful family business. Hooray and thank you, Wally and Meshelle! Folks, please make *every effort to turn out for this great event!* For attendance information and hotel booking, go to www.nationalfitnessradeshow.com. For exhibit information, call **Wally** at **(541) 830 - 0400**. And, be sure to visit our exhibiting advertisers, listed below.



Norm Cates

•**JACK LaLANNE**, 94, the one and only... and his lovely wife, **ELAINE**, will be in **Chicago** at **The Club Industry Show, October 14-17**, where this legendary fitness dynamo will be honored by Club Industry with its prestigious **Lifetime Achievement Award**. You should really plan to be there for this event as I know Jack will electrify the house when he gives his acceptance speech. Plus, networking and learning will be going full speed ahead as Club Industry's **STACEY ORLICK** has once again produced another super schedule of educational presentations, and I predict the **Club Industry Trade Show** will be particularly special because there will be deals available, the likes of which this industry has not seen before. So, if you are in a position to attend this event, you really should. And, if you're thinking you're not in a position to go, get creative and think about it some more and **DO try to be there**.

•**Planet Fitness Founder, MIKE GRONDAHL**, is continuing his *outside-the-box* thinking

and has put together another unique offer from his company. This time, instead of a one-day nationwide membership sale of **Planet Fitness** memberships that resulted in 210,000+ new memberships in April, Mike and his partners, brother **MARC** and **CHRIS RONDEAU**, are hosting what they call **Planet Fitness Discovery Day**. This will be a great opportunity on **Tuesday, July 28th**, from **10AM to 2PM** at **Hotelumiére** in downtown **St. Louis** for people to learn all about Planet Fitness Franchise opportunities. Check out the **Planet Fitness Press Release on Page #3**.

I also want to make a comment. I think those that scoff at Planet Fitness' success, and think the only reason they now have close to 2 million members in nearly 300 locations is because some locations come into the market at Grondahl's now famous **\$10 per month** price point, need to know more. Price is only *part* of the Planet Fitness success story. The other *part* is the *culture Planet Fitness creates in their centers*. This other *part* is the *part* that is rarely brought up by scoffers, and (See *Norm's Notes Page 8*)

Thank You!

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The "INSIDER SPEAKS"

Be Smart When Dealing With The Press!

By: Norm Cates

Once upon a time a couple of gym owners decided to have a weight loss contest. Two \$500 cash prizes were to be awarded to the two club members who lost the most weight. The club charged each contestant \$40 to enter the contest and about 40 members joined in. However, after the contest was complete, the payment of the prize money to the two winners was significantly delayed to the point where the members got tired of asking the club employees about when the

prize money would be awarded. Then, the two members, one man and one woman, turned to the local metro area newspaper to complain about the long delay in awarding the prize money. The paper has a circulation of 1.6 million, and they assigned a reporter to cover the story, but the gym owners chose to have their manager talk to the reporter instead of with them directly. This was a real mistake and did not turn out well for these two gym owners. The result of the interview with the club manager was two very negative headlines

and one very negative article published on Sunday, June 21st, Father's Day, of all days.

"Lose Weight, then Wait... A battle to shed the pounds at a [local-area] gym turned into a test of patience for the contest winners awaiting their prize money" was the headline prominently placed in the upper left corner on the front page of the Metro Section. Then, the headline for the actual article read, **"Weight-loss Contest Leaves Winners Unhappy."** This negative newspaper coverage was so very unnecessary. On top of that, one of the upset winners resigned, and the other one, who was going to use the prize money to buy personal training for her sister, decided not to do so.

Let's Avoid Negative Headlines and Build TRUST in Our Industry

The purpose of this writing is to help all of you avoid negative press for your clubs, gyms and centers. While we are at it, we'll also hear from the gym owner about what he now suggests should be done to manage contests professionally.

I contacted one of the owners of the gym and asked him two questions:

Q. After this experience, if you could give helpful advice to other club owners in our industry about the steps that you would suggest should be taken to manage a contest of any kind involving your members, what would those steps be?

A. Our experiences have dictated that the key to managing a contest or any member-hosted event has a few parts. You obviously have to be well organized, have strong leaders directing and executing the contest and you must communicate clearly with your staff and your members. Make sure your entire staff knows the policies and procedures of that particular contest. This will allow them to convey accurate and timely information to the members. Give them all the information up front; when it starts, how long it lasts, who

qualifies, how you win, when you get paid, rules and regulations, etc... Set clear guidelines and expectations. Make sure all contests are approved by the owner or highest management possible. This will make sure the decision maker has approved the contest and that all the information you have so diligently presented and promised your staff and members are followed according to the plan.

Folks, that's a **GREAT ANSWER!**

Q. What have you learned, if anything from this experience, about dealing with the local press?

A. The press is obviously looking for a story. We feel there was no story and still isn't a story. They only presented half the story, even after we followed up with them. Either way, we are always trying to enhance our member's fitness experience and will not let this prevent us from hosting member contests and events in the future.

Folks, the owner missed the mark in the first portion of his answer, but I like the last sentence where he vows not to quit producing events and contests in the future. I hoped the owner had learned something about dealing with the local press from this experience, but his answer shows me he has not.

So, let me add some things that I had hoped the gym owner had learned and would have said in his answer, and I hope you will benefit from these points. I say to all club owners that it would be wise to look at any local news reporter as a temporary VIP in your world. The reporter has a job to do, just like you do. Remember that you usually will have only one shot at getting your message across. When the ink is dry, the ink is dry. This very negative June 21st Father's Day article could have been prevented, and no matter what, it was not good for health and fitness clubs in general. It was not good for our industry's reputation or for helping consumers trust our industry. These two gym owners can agree or not. It makes no difference. This is the truth.

These two gym owners

could have served themselves well by inviting the reporter to actually come and sit down with them in their office to discuss the matter. They could have taken what probably would have been no more than one hour of time to do this. Instead, they had one of their employees handle it. If they would have just met with the reporter, she would have believed they were taking the matter seriously and that they were willing to share the truth with her as well as they knew it, not their employee's version of the truth. Believe it or not, the two versions of the truth might not be the same. Because they put her in touch with an employee, she very likely had a natural inclination to think the employee might have been trying to cover the owners with his responses.

For all of you, please remember the truth from the top source of authority and some common courtesy goes a long way towards causing what will come from the dancing fingers of a reporter's keyboard. To say that another way, when dealing with the press... any press... anywhere... be courteous and tell the truth.

I welcome all of your comments at **Norm@clubinsideronline.com**.

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

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Compete from Fiserv Adds Electronic Agreements and Multiple Payment Types

As originally reported at www.clubinsideronline.com on July 2, 2009:

BROOKFIELD, WI - Fiserv, Inc. (NASDAQ: FISV), the leading global provider of financial services technology solutions, announced that the next release of its Compete software is now available for health and fitness clubs of all sizes. To help clubs increase their own strength and manage their businesses more efficiently and profitably, Compete from Fiserv now includes an innovative electronic contract management feature that supports multiple contracts and multiple forms of payment for each club member, including checks, debit and credit cards.

The latest release of Compete is flexible, scalable and easily integrates with Fiserv's industry-leading electronic funds transfer (EFT) processing and

world-class outsourced billing and customer service. "Compete allows club members to maintain multiple service agreements and offer greater flexibility with different billing cycles, different due dates and different forms of payment," said Jim Parks, general manager, Club Solutions at Fiserv. "No longer do clubs have to create duplicate member records as services are added, or enforce that a member maintains the same billing cycle for all service agreements."

Additional functionality for this generation of Compete includes: the ability to capture electronic signatures; sell personal training visits as dues-related revenue with configurable expiration dates for flexibility; and assign locker dues (even if free) as a service in agreements to sync expiration dates with the agreement. In addition, Compete offers enhanced capabilities that

provide exception pricing at a club level for organizations with club-specific tiered pricing. Clubs can now save time and money with a new electronic statement feature that eliminates paper statements and allows members to view their personal account information through the Member Self Service feature.

Each version of Compete includes modules for check-in, point-of-sale, data entry, billing and reporting, all in a simple user interface with touch-screen capability. Compete is available in an easily updated, web-based service, enabling clubs of all sizes to be more efficient and profitable.

"Compete from Fiserv combines ease-of-use with robust back-office functionality, facilitating the gathering and reporting of information that can provide clubs with in-depth insight into their operations," said

Parks. "Our 28 years of industry experience has shown that the main challenge club operators have with software is getting to the data they really need. Most solutions are difficult to use and, therefore, usually less than 50 percent of the application is leveraged. We created Compete with one goal in mind, ease-of-use, so the club operator can utilize 100 percent of their technology investment."

"Club Solutions at Fiserv has a long history of providing services to the health and fitness club industry. We offer high-quality club management software designed with customer needs in mind and payment processing services at competitive prices, and our solutions complement the Fiserv solutions that the financial services industry trusts," said Parks. Club Solutions at Fiserv, with 120 employees and offices in Webster, Texas; Dublin,

Ohio; Norcross, Georgia; and Wokingham, England, provides software and services designed to meet the operational, financial and membership management needs of the health and fitness industry. Club Solutions provides over 7,500 facilities worldwide with club management software, transaction processing and outsourced member billing and data management. The complete suite of solutions offered by Club Solutions enables clubs of all sizes to grow and retain membership while maximizing revenue and minimizing day-to-day costs.



...Planet Fitness

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downtown St. Louis. It is free and open to the public, but due to space limitations, you must register for the event at www.DiscoverPlanetFitness.com.

The Discovery Day will feature more than 30 pre-approved Planet Fitness sites in St. Louis, Kansas City, and Springfield. Prospective franchisees can review single-unit and multi-club areas in wide-open markets that are ready for development. In addition, Planet Fitness corporate staff and franchisees, as well as lenders and real estate brokers, will be on hand to answer any questions.

Launched in 1992, Planet Fitness began franchising in 2003, and since then, has grown from four clubs in its home state of New Hampshire to nearly 280 gyms in 31 states. These days, as consumers look to save a buck, people are flocking to Planet Fitness for its lowest-in-the-industry prices --just \$10 to \$19.99 a month-- and Judgement Free Zone® environment, which allows people to relax and have fun without the high-pressure atmosphere of some gyms.

In five years, the total membership at Planet Fitness has grown from 35,000 to nearly 1.8 million. Inc. magazine ranked Planet Fitness as one of the fastest-growing private companies in the U.S.

"Our membership base is exploding because we provide a top-notch product at an unbeatable price," Christie said. "And with the commercial real estate market in such rough shape, franchisees are benefitting from historically low rents and the best leasing terms we've ever seen. It's a perfect storm."

Other trends are also pointing in the right direction. With exercise becoming a public health crusade, the fitness industry in general --and Planet Fitness in particular-- is poised for growth. "Roughly 85 percent of Americans don't yet belong to a gym," Christie noted. "With our low prices and non-intimidating atmosphere, Planet Fitness is the only health club uniquely positioned to capture these new members."



...CAC-Boulder

continued from page 3

children's play pool and splash pad; and a wide variety of outdoor programming that ranges from Triathlon Clubs to Mountain Yoga Retreats. Inside, CAC-Boulder will emulate the great outdoors by using natural stone, earth tone finishes and energy efficient lighting within its 40,000 square-foot space on the east side of Twenty Ninth Street, adjacent to Macy's, with two parking structures for plenty of free parking. Members will enjoy equipment that is on the cutting edge of cardio and sports technology, including but not limited to, a Compu Trainer Studio, Kinesis One functional training equipment and a 25-meter, 4-lane saline indoor pool. The club will also host complimentary yoga and group fitness with dedicated yoga; Pilates and indoor cycling studios; certified Personal Training including Group Training; certified massage therapy; outdoor fitness programs; active, experiential learning for children; and immaculate locker rooms including one designed for families. As is expected of

all clubs in the CAC Family, CAC-Boulder will personalize each membership and exceed customer service, cleanliness and programming expectations.

Jay Kell, Chief Operating Officer of The Wellbridge Company/Colorado Athletic Clubs said, "Expansion into the Boulder market is a unique opportunity that fits perfectly into our company's strength in personalizing each club to its specific markets demographics and surroundings. CAC-Boulder will also give us an opportunity to explore and test the latest in sports technology and performance-based fitness that will translate

into cutting edge offerings for our other 18 clubs nationwide." Work has just begun on this club with its expected opening in late 2009.

Wellbridge, based in Denver, Colorado, currently owns and manages 18 athletic clubs and spas across the United States. The Wellbridge clubs run the gamut from 125,000 square-foot multi-sport and smaller corporate facilities to upscale spas. Wellbridge has developed an exclusive approach to combining fitness, health and wellness for every lifestyle, from active families to busy executives. Learn more about Wellbridge at www.wellbridge.com.



...Norm's Notes

continued from page 4

that is the fact that Planet Fitness is bringing down barriers to new membership; barriers such as fear and intimidation, factors that have blocked consumers from ever joining a health club in the past. These barriers are as real as this keyboard I'm typing on, and Grondahl is removing them one member at a time. Planet Fitness is really a special and balanced formula of ingredients that work and are standing the test of time. Out of 50+ health and fitness franchise opportunities in the United States, that is why Planet Fitness is on the leading edge. They are in the upper tier because of what they are doing and how they are doing it. With respect to bringing down these barriers, let me refer you to the document called, "Identifying the Barriers to Exercise & Joining a Health Club," produced by IHRSA in 2006. This study is available for sale from the IHRSA library, go to www.ihrsa.org or call (800) 228 - 4772.

• If anyone wonders why I wrote the "Insider Speaks" article last month, entitled, "IHRSA A House Divided," consider JAMIE FAIRLEY's comments written to me about IHRSA when he recently sent in his annual subscription renewal. Jamie is a veteran owner of Courthouse

Plus in Vernon, Connecticut, and we have discussed IHRSA over the years. Sharing my concern that IHRSA has moved too far in the direction of supporting the big chains and clubs in foreign countries, while not focusing enough on the job for independent clubs in the United States, like it used to, Jamie wrote,

"Thank you for all that you do to keep me informed and motivated. Your publication has replaced the IHRSA magazine as the most important publication I receive. The IHRSA magazine has long ago gone international and big chain, and no longer speaks to my needs as well. So, thank you for all you are doing for me and our industry!"

**-Jamie Fairley
Courthouse Plus**

I can only say "Amen" Jamie! But, realize that IHRSA President, JOE MOORE, is working on the very issues you address, and thanks Jamie for being a Paid Subscriber to CLUB INSIDER for years now!

• BILL PARISI has aligned his Parisi Speed School with GrowthAgents Inc. of Hopewell, New Jersey for national marketing and franchise expansion. Parisi Speed School, America's leader in franchised youth fitness and sports performance programming

has announced an alliance with GrowthAgents to lead its national marketing and network expansion efforts. GrowthAgents will utilize a combination of strategic marketing and media outreach programs to penetrate 20 new franchise markets throughout the United States by the end of 2009 and doubling to 40 new markets by the end of 2010. You might want to make your club the next one to install the Parisi Speed School. Stay Tuned!

• Sport & Health, the largest health and fitness company in Washington D.C., announced on July 10th that it has received \$25 million in mezzanine financing provided through Pittsburgh-based, PNC Mezzanine Capital, and CMS Mezzanine Fund. The financing will enable the company to restructure senior debt in addition to enhancing the company's capacity to grow and improve its network of health and fitness clubs throughout the Washington, D.C. metro area.

• Congratulations to BILL COGIN, the owner of Anytime Fitness in Lawrenceville, GA as they celebrated their 1st Anniversary the weekend of July 16-18th. That is an important milestone for any club, and the 8,000 square-foot facility is rolling along quite well with 800 members already. The facility is smack in the middle of nine other clubs within five miles! Thanks to JANET DAY-MALLY for providing this news. Janet wrote, "We have held our own and done well because of great customer service and excellent trainers. Plus, of course, because of my marketing efforts! I specialize in community relationships and relationship marketing."

• I received a phone from CRAIG FINE about Motionsoft's acquisition of Conexon and Conexon Tan. Craig's Dad, BENSON FINE, Conexon Founder, is to serve as the Motionsoft Chairman of the Board and AL NOSHIRVANI, Motionsoft's CEO, will continue in that role. Remarkably, and admirably, no one in any of the three companies will be laid off due to this consolidation.

• THOMAS PLUMMER's blog, dated July 7th, has ten ideas for better retention that you should check out. Check it out at www.thomasplummercompany.com.

• BRAD WILKINS, Director of Fitness Management and Development for Cooper Fitness Center, was awarded the 4th Annual John McCarthy Institute Merit Scholarship by IHRSA. Established in 2006, through donations from industry founders and friends, the scholarship, which is awarded annually, provides full tuition and a \$500 travel stipend to IHRSA's Institute for Professional Club Management. Congratulations Brad! IHRSA will host the 21st Annual IHRSA Institute for Professional Club Management, sponsored by Precor, August 2-5th, at the Resort at Squaw Creek in Lake Tahoe. This intensive, four-day club management education program includes a graduate-level curriculum taught by some of the industry's most respected leaders, adventure team building activities and a variety of social and networking opportunities that encourage learning, sharing and collaboration. Additional information can be found online at www.ihrsa.org/institute or by contacting IHRSA by phone at 800-228-4772 or by email at IHRSAmeetings@ihrsa.org.

• Congratulations to my N.C. State football teammate, JIM DONNAN, as he was inducted into the College Football Hall of Fame on July 17th. Jim was the quarterback of our 1967 N.C. State Wolfpack Team that was ranked #3 in America and beat the University of Georgia in the 1967 Liberty Bowl. Jim went on to be the Head Coach at Marshall University, where he took the Thundering Herd to a record of 64-21 and to three National Championship games, winning the Division II National Championship in 1992. Jim was also head coach at the University of Georgia from 1996 to 2000 and finished his coaching career with a combined record of 104-40. Congratulations Jim on your great honor!

• Lifestyle Family Fitness is making good club business PR moves in North Carolina, where they have agreed to help maintain trust in our industry by taking in former members of four Peak Fitness Centers that have closed in the Raleigh/Durham area. This move earned LFF a nice June 16th Raleigh News and Observer Business Section article mention, invaluable PR for the company and also good

PR for the industry because it shows consumers that someone is helping out and not leaving these mostly paid-in-full members high and dry with nothing for their money. I also learned from GEOFFREY DYER, Founder of Lifestyle Family Fitness, that LFF is similarly taking in folks from Bally clubs that have recently closed in Indiana. Part of what Dyer wrote to me about these moves in a recent email was, "Norm, almost all have been cashed out. I have learned that this is a far better approach than re-signing the 5-10% that join us at full rates leaving 90% of the rest pissed off about health clubs for the rest of their lives!" Amen, Geoff! Folks, this is the kind of thinking our industry needs to adopt across the land to build more Consumer TRUST in our industry by minimizing the industry reputation damage of closing clubs. In my opinion, building Consumer TRUST is the key to the future for our industry, and I will speak about that next month in Reno at WALY BOYKO'S National Fitness Trade Journal Conference.

Dyer has also found another way to build Consumer TRUST. I'm going to begin this commentary with this question, "If you are a parent, who are the most important people in your life?" I would wager 99.9% would answer, "My children." So, what Dyer is doing across the country is opening the doors of the Lifestyle Family Fitness Centers for free to teens in the Summer Months in what he calls their "Matinee Membership." It is valid with check-in before 4PM and on weekends in the Summer months. Last year, LFF had 3,009 enrolled, and as of the same date this year, they have 5,907 teens enrolled. That's a lot of parents to have goodwill with in a market.

• Former health club owner/operator, turned billionaire scammer, ALLEN STANFORD, faces a 21-count indictment in Federal Court. United States District Judge, DAVID HITNER, agreed with federal prosecutors and revoked bail for Stanford because the prosecutors had asked him to review evidence that the financier was extraordinarily likely to flee before trial. He agreed with them and locked Stanford up in a federal detention center in Conroe, Texas, north of Houston. With his funds frozen (See Norm's Notes Page 28)

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

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16 Years and Counting!!!

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...Herb Lipsman

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Where did you grow up and where were you educated?

Herb Lipsman (HL) - I grew up in a small town, Bettendorf, Iowa, in an area called the Quad Cities. I lived there until I went to college. In high school, I was a tennis player and a wrestler, kind of a funny combination. Tennis was my love, but in Iowa, if you were a boy, you had to wrestle. I attended Northwestern University and made the varsity tennis team as a walk-on, earning a partial tennis scholarship. A year into my time at Northwestern University, I received a call informing me that Title IX was going into effect and a significant portion of my scholarship was going to be shifted to the women's tennis program. Right about that time, I was offered a job as a teaching pro at the Dubuque Racquet Club, an indoor tennis club in Dubuque, Iowa. Having grown up without a lot of money, I decided I was going to take a year off, make some money, enjoy life a little bit and then go back to school. But, I ended up making a profession and career out of the club business.

C.I. - Tell us about that early experience, please.

HL - I was 19 when I started teaching tennis, and while working for nearly 4 years there, I built up a great clientele. Eventually, I became the Head Tennis Pro at the Dubuque Golf and Country Club, which was the premier golf and tennis club in that community. I did that for one summer. Then, I was hired to be the General Manager and Head Tennis Pro at the Cedar Rapids Racquet Club. That's where I met my wife, Susan. Back in those days, being a tennis pro was a lot like being

a personal trainer today. It's all about building rapport with your clients. Then, they go out and brag about you to other people, and it turns into more people wanting your services. I seemed to have a knack for it. I can't really pinpoint why other than I just enjoyed it. I enjoyed teaching, and I enjoyed helping the students that I taught. So, it just seemed to kind of grow all by itself. Again, having come up from modest means financially as a kid, all of a sudden, I'm being paid a bunch of money to teach tennis lessons. I don't remember clearly, but there was a time in my early 20's when I was making over \$40,000 a year teaching tennis lessons. I loved being around the club environment, and it looked like I could make a living at it. I still remember my Dad regularly asking me when I was going to get a 'real' job.

C.I. - Herb, how did you get into club management, and how did you end up in Texas?

HL - I spent four years in Dubuque and four years in Cedar Rapids, Iowa. While I was in Cedar Rapids, I got a call from a club guy that you know pretty well, Ed Williams. Ed was also from the Quad City area where I grew up. He was working with Tom Lyncis and a development group in Denver, and they were getting ready to break off to create a new company called Club Sports International. They had a club in Littleton, Colorado called the Valley Racquet Club, and in the Fall of 1983, Ed recruited me to become the General Manager of that club. So, I was the first manager for the company, then called Club Sports International.

C.I. - You, Eddie and Tom go way back!

HL - Yes, we do. I worked for

that club for four years as the General Manager and the Head Tennis Pro. Then, one day, Tom came to me and said, 'You need to decide whether you want to go to San Antonio, Texas or Vail, Colorado. So, take your time, but we need to know by tomorrow.' My wife, Susan, was eight months pregnant. She told me she would never, ever go to Texas because her ex-husband's family was down there. So, I said, 'great,' took the job in Vail and we opened the Cascade Athletic Club in Vail where I worked for two years. Then, Ed and Tom informed me they needed to move me to Las Vegas to manage the new Green Valley Athletic Club that had been open for only five months. The owner of that club broke off the management agreement with Club Sports International about a year into it, and he asked me if I'd stay. I chose to stay rather than move my family again, and I was there for five years. In 1993, Linda Pehjar informed me that the Houstonian job was up for grabs and asked me if I'd be interested. I told Linda that my wife would never move to Texas. She was working as a paramedic in Las Vegas and loving life. We had four kids, and she was finally doing what she wanted to do.

Picture this true story. I was serving on the United States Tennis Association (USTA) Regional Board for the Intermountain Region, and they had the National USTA Convention at the Ritz Carlton in Kapalua, Maui, Hawaii. My wife and I had literally not been on a vacation since we had lived in Vegas because our kids were so young and we didn't have family or anyone there to care for them. So, we took this weeklong vacation to Maui, and I did my meetings with the USTA. In the mean time, I had been approached about the Houstonian job and was trying to find the right moment to tell her. So, it was the second night, and we were out on the beach; the sun's going down, and we both had a drink in hand walking on the beach. I said to her, 'Honey, what do you think about Houston?' She turned around and said, 'Have a nice life!' We fought like cats and dogs for the rest of the trip and went home and continued to argue about it. Finally, she said, 'It's obvious you need to do this, but we're not moving. We're staying, and they're going to have to pay for you to commute back and forth.' So, I did that for nine months



The Health Club for Women Team

back in 1993. Eventually, she came around. Actually, a freaky thing happened that caused her to move. As a paramedic, you have to have your blood tested every six months to make sure you had not picked up anything. So, she experienced a false positive HIV test that caused her to panic, and I had to fly home, thinking she might die. The next thing we knew, it was discovered that it was a false positive. She says, 'Okay, I'm coming!' and we've been in Houston ever since.

C.I. - Well Herb, it looks like you've made a real impact there in Houston. For example, you were appointed as the Chairman of the Mayor's Wellness Council for Houston, Texas. Tell us about that, please.

HL - In 2005, Mayor Bill White decided it was time to get Houston off of its annual ranking as the Fattest City in America. I volunteered to lead a group of health, civic, education and governmental leaders in a collaborative effort to shift Houston into a focus on healthy lifestyles and prevention. The Mayor's only requirement was that we assemble a truly diverse group of leaders representing various races, ethnicities, gender, level of fitness, etc. Together with a few other passionate health and wellness fanatics, we launched the "Get Moving Houston" initiative. A year into our efforts, we determined that, to truly have a meaningful communitywide outcome, we needed money and we needed corporate support. Hence, we launched the Houston Wellness Association (www.houstonwellness.org) with ten major corporate underwriters at \$25,000 each. Our intent was to capture all businesses in the city with some connection to wellness

and begin working collaboratively rather than continuing to have numerous independent groups all working separately. The association is now three years old and would remind you of a mini-IHRSA, but it is focused on everything related to wellness in Houston. Incidentally, Houston is no longer considered the Fattest City in America! There is an extraordinary group of volunteers leading this charge under the direction of Jonathan Lack, Executive Director and Bill Baun, current Chairman of the Mayor's Wellness Council.

C.I. - Please tell us about your years working for The Redstone Companies in charge of the fabulous Houstonian. In particular, please share with us what it was like doing a "turnaround" on the mega facility that had fallen on hard times, as The Houstonian had, before you stepped in.

HL - The Redstone Companies bought The Houstonian out of bankruptcy in December, 1992. They hired me for the club side of the business and a man named Mark Yanke to run the hotel. The two of us worked together. Essentially, we 'co-governed' the property for many years together to try to get the whole group (club and hotel employees) to work together and turn it into what it is today. The Houstonian has turned out to be a phenomenal investment for Redstone and a tremendous source of pride. One side story is that the first week on the job at the Houstonian, I called up and set an appointment with its founder, Tom Fatjo, to sit down with him. I jokingly told him 'I wanted to know where all the bodies were buried.' He couldn't have been more gracious. He

(See Herb Lipsman Page 12)



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...Herb Lipsman

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invited me in, and we talked at length. He told me about how the project came to be and how proud he was with what they created and how the oil bust and all the economic issues gave them a really tough time in the 1980's. He and I became friends through that first meeting. So, when I went out on my own two and a half years ago, he was just starting the development of Stablewood Springs Resort, so he asked me to help him out with it.

C.I. - Herb, could you share with our readers some of the things you learned from your Houstonian turnaround experience?

HL - One of the things we found when we arrived was that The Houstonian was in horrible condition, physically and culturally. I say 'we' because there was a whole team of high performance people, for the Hotel and the Club, meeting together regularly to address all the major issues. For example, you couldn't walk into a room in the club that didn't have rust-stained ceiling tiles where water had leaked through. There was not a single room in the building that didn't leak. Because they had gone on for so long in financial straits, they just hadn't fixed anything. The whole club building needed a new roof and so did the hotel. Yet, they had 3,000 club members who were still hanging on, even though the place was a disaster. The equipment was antiquated. The carpet on the workout floor was torn everywhere. People heard all these wonderful things about the Houstonian, but it was just a big mess. I looked at that as an opportunity. I couldn't screw this up. The club had opened in

1980, the same year the East Bank Club and Canyon Ranch had opened.

C.I. - So, it had been pretty much ignored as far as maintenance for 12 or 13 years, a club can get pretty dingy in that amount of time.

HL - It really can, and the climate here in Houston with the rain and humidity, when stuff goes south, it can happen pretty fast.

I also mentioned the culture being corrupt. Many employees were out for themselves. I'm not referring to Tom Fatjo's people, but rather, the groups that came after he and his team were gone. It was obvious that the people who had been running it let the ownership and management culture get sick. People were taking money on the side, the sales people were making deals and being rewarded on the side and all of the things that you don't want to have happen in our type of business were happening throughout the organization. So, when we got there we just didn't know who we could trust. I spent several months just watching and trying to understand what was going on and then had a little luck. It was near the end of my first year when four of the key managers all decided to resign at about the same time. They were all good people, but they had personal issues that caused them to make the move, and it opened up an opportunity for me to bring in my own team. So, I asked my close friend and confidant, Greg Nielson, who had been my Assistant General Manager in Las Vegas and was currently the General Manager at the Green Valley Athletic Club, to join us. I talked to him and his wife, Natalie, who was Green Valley's Human Resources Director, about

coming to Houston. I could afford them at that point because the other people had gone, so they came down, and we built a team with new management and staff. It took several years to complete all the cosmetic improvements at the club, and at the same time, rebuild the management team. The same things were going on with The Houstonian Hotel. It was a very exciting and challenging time.

One of the smartest things we did was to decide to use Steven Covey's Seven Habits of Highly Effective People as a leadership training program for all employees. So, we had several senior managers get certified to facilitate the program, and we rolled out the 3-day program to hundreds of employees over a few years. The whole concept is teaching people how to think for themselves and use common sense, rather than having to operate off of a thick operations manual. It really worked for us.

In 2000, I moved into a corporate Vice President position with The Redstone Companies and left my role as General Manager of The Houstonian Club. I oversaw all of the new development that was going on at the Houstonian property and became involved with some of the golf properties. Eventually, it turned into a Senior Vice President position where I was in charge of marketing and business development for all of The Redstone Companies. When I left in 2006, that's what I was doing.

C.I. - You have a lot going on now; The Health Club Company, the beautiful Stablewood Springs Resort and The Health Club For Women. So, where should we start in coverage of your current enterprises? Let's talk about all three ventures.

HL - I started to offer consulting services for country clubs that were planning to build or expand fitness facilities and services in late 2006, and I became involved with Tom Fatjo's Stablewood project. Currently, in addition to my extensive role with the resort, I'm helping the River Oaks Country Club Fitness Center establish itself after 2½ years, assisting with the design and development of the exceptional facility. I also served as the design consultant for the Lakeside Country Club, and my company now has a management contract to operate the fitness center at Lakeside. I started out as the spa/fitness consultant for



Lakeside C.C. Fitness Center Lobby

Tom Fatjo's project, Stablewood Springs Resort, and it has evolved to where I'm now President of the resort. I oversee everything from construction to operations and sales, and I have a very solid team of people working there. Stablewood Springs Resort sits on 543 acres, and it's right off the Guadalupe River in the Texas Hill Country, about an hour northwest of San Antonio. The area has a similar look and feel to the wine country in Northern California. The resort offers luxury villas for sale or rent, and we are just rolling out an exclusive private club membership for those who live in the area year-round or own vacation homes nearby, so that they can enjoy the resort amenities. A spectacular resort pool currently serves as the icon for the property on a ridge that sits at an elevation of 2,000 feet, overlooking breathtaking hillside views. There will soon be a destination spa and fitness center and a poolside bar and grill.

I've been spending 70 to 80% of my time in the last year on the resort, and I've spent the rest of my time on the two country club fitness centers. The one other project I have is the The Health Club for Women. We have one facility open, and I have a phenomenal manager, Heather Carothers, running the club for me, so I have very little involvement in the day-to-day operations. We communicate by email and phone, and she's taken my concept from scratch to reach breakeven after 23 months. Heather is one of those rare finds, and I credit Brenda Abdilla for helping me find her. Heather is the full package. She's smart. She has an incredible work ethic. She can sell. She does marketing. She does all the computer work. She has a personal training

background. She's a perfect fit for that environment, and she will be the chief operating officer for the company when we start to roll out other clubs. It's a 3,500 square-foot facility, and currently, we have 420 members and does approximately \$35,000 gross revenue per month with a modest profit margin now. Our plan is to expand to a 5,000 square-foot model. The concept is a more upscale boutique club for women, and I joke about this, but I describe it as 'Where the Houstonian meets Curves.' It's very upscale. All the equipment is brand new and first class. All the cardio machines have TV monitors. We have a fairly generous group exercise area featuring a full slate of Les Mills's classes. We have restroom/locker room facilities and a nursery for children. The operation is very high touch, and our staff knows all the members by name. It is located in a strip shopping center in a space that was formerly an Anytime Fitness location. We charge \$39 per month with our published Initiation Fee of \$99. Our next location will be in Sugar Land, and we plan to charge \$59 per month.

C.I. - Well, you've got a great name in 'The Health Club for Women.' How did you land that name and be so lucky to also find that website domain name to be available, too?

HL - I don't know! What happened is I learned my lesson with Houstonian Lite. We had been trying to come up with something cute with all of our marketing people for months and months. So, one day, the boss said, 'Damn it, let's just call the thing Houstonian Lite and be done with it!' Since he was signing the

(See Herb Lipsman Page 14)



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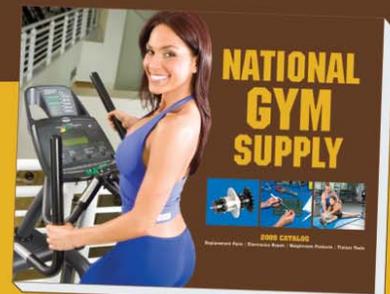
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...Herb Lipsman

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check, I said yes. From then on, people were always confused about what it was. So, I kept getting feedback that you need to tell people what you are and make sure there is a clear message being sent out. When it came time to do the next club, I thought, 'Okay, I'm creating a health club for women, so that's what we're going to call it, The Health Club for Women.'

C.I. - Please give our readers some overall advice to help them.

HL - I think one message I would convey is that, in our business, you do not succeed unless you have top people in all levels of your organization. Leadership has to happen at every level of our clubs, or in my case, resorts and clubs. Leadership isn't just the President and General Manager. There have to be leaders at the front desk. You need leaders on the fitness floor and even in the locker room. They don't necessarily have to be the smartest people or the most credentialed; they just have to be people with the old fundamentals: **Work Ethic, Flexibility and Trustworthiness.** All of those things are needed because the environments we are in are constantly changing. If you don't have people around you that you can trust and count on and are willing to go with the flow, you're cooked. You won't make it. This is true for any business. It all comes back to the people. In my case, I mentioned Greg Nielson and Heather Carothers. I could come up with a long list of people like that. When you have those people in your corner, problems get solved, and if you don't, little things turn into big things. Another point I would mention, because it is has been a benefit to me, Norm, and I know it has been to you as well over the years, is to build a great network of friends in the industry. I'm in the Faust Roundtable #1 with Rick

Caro, Red Lerille, Gale Landers, Carol Nalevanko, Carl Porter and several other prominent industry leaders. Having that kind of a group of colleagues in the industry, and other places, to call on when you have problems and need advice has been very helpful. I have a long list of people, other club owners and operators from around the country and equipment manufacturers, to call upon when I need advice. I can pick up the phone and get what I need pretty quick. I've made an effort to build those relationships over a long time, and vice versa, they often call on me.

C.I. - Well Herb, that's one of the top benefits we've all received from all of our years of involvement with IHRSA. Having people to get another point of view from is invaluable, especially when you have as many things going on as you do.

HL - No doubt, Norm.

C.I. - Why have you devoted your business life to the health, racquet and sportsclub industry?

HL - Norm, that's a great question. As a tennis player when I was a kid, I got to travel around to many nice country clubs. I fell in love with the club environment. I thought, 'Gosh, I've got to find something that I can do to where I can make a living by having some kind of association with nice clubs.' One of my high school friend's fathers asked me one day, 'What do you want to do when you are done with high school?' I remember telling him, 'I think I want to run the nicest club in the country.' I remember saying it, not even knowing what I meant at the time. So, my part in the industry has been to constantly set the bar higher for upscale clubs. My belief is that, if I contribute to that, the rest of the industry will rise to those standards.

C.I. - Well, I know you've done this in our industry, and I'm looking forward to getting to your

part of the country to see all that you're doing.

HL - First of all, the Stablewood Resort is going to be one of those 'one-of-a-kind' properties. It has a natural beauty to begin with, and then, when you add in the fitness center, the spa and the incredible pool complex, it's going to be one of those places that will cause other places to want to be like it. Tom Fatjo is a visionary. It's been fun to get the chance to work with him and get to do what I do well, teamed with somebody with that kind of vision. I would put the River Oaks Country Club Fitness Center, which we just opened in Houston, up there with any country club fitness center in the United States. It's a standalone, two-story, 20,000 square-foot facility. On the second floor, there is a 30-foot, high-vaulted ceiling with the cardio equipment providing exercisers with a view of the gorgeous golf course and tennis courts. It's a great environment.

C.I. - Well Herb, this may sound like a stupid question, but do you have anything on the 'drawing board'?

HL - I have plenty to keep me busy right now, but I receive consulting inquiries often. I'm trying to keep my eye on the balls that I already have in the air. Hopefully, these projects will turn out so successful that they will lead to many more in the months and years to come.

C.I. - Herb, do you recall what year it was when you first became involved with IHRSA? Please tell us about your thoughts on the Association, and for non-IHRSA members, please explain why you would recommend that they join IHRSA.

HL - I became involved in IHRSA when I joined Ed and Tom at Club Sports International. I've said some of this about IHRSA already, but IHRSA really is about networking and building long-term relationships



A Stablewood Springs Resort Sunset

with people all over the industry so that you don't have to go it alone. Our industry has so many people that are willing to share information. As long as they trust you, they are more than willing to open up their clubs to you and let you take a look, and hopefully, you're willing to share back. That's one thing. Another thing is I've never been around a higher energy group of people than those at IHRSA. You could pick any industry, go to their national trade association convention and you won't find people with more energy than those at IHRSA. It just makes life a lot more fun to live when you're around high energy people like that.

C.I. - I couldn't agree more, Herb. In particular, the 2009 IHRSA Convention and Trade Show in March in San Francisco just amazed me with how many people turned out and the great spirit they had while the economy is slumping. Herb, congratulations on being honored by IHRSA with its Dale S. Dibble Distinguished Service Award! I was so happy for you when you received that honor in San Francisco at IHRSA 2009. Please tell us your feelings about receiving this great IHRSA honor.

HL - I was sitting by myself in my office up in the Texas Hill Country on a Friday morning when I got a call from Pam O'Donnell of IHRSA, and she said, 'I have some good news for you.' Then, she told me. I was literally dumbfounded. I went dead silent for probably a minute or two. She said something like, 'Herb, I've never heard you speechless before.' It was because I had just come through such a tough time with my business, so to have the recognition come at that time was pretty special.

C.I. - Well Herb, you deserved it, and again, I'm really happy for your honor. To close this interview, do you have any other comments you'd like to make?

HL - Tell all of your readers to take a little vacation and come see us at Stablewood Springs Resort! Also, many thanks to you and **CLUB INSIDER** for writing this story and providing such a wonderful resource to so many of us who make a living in the health club business.

Herb Lipsman is a man who is a great credit to our industry and one who has truly earned his excellent reputation in this business. The diversity of his current work is testimony to his work ethic and dedication to making a difference.

Check out Herb's web-sites for more information:

www.thehealthclubcompany.com
www.stablewoodspringsresort.com
www.thehealthclubforwomen.com

For consulting or management services, Herb can be contacted at hlipsman@thehealthclubcompany.com.

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

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Retention Tips That Build Value

By: Jeffrey Keller, M.S., M.B.A.

One of the biggest challenges in the club environment today is how to increase the value of a membership without decreasing the price or increasing the cost to the club. For years, we as an industry have competed with each other for market share based on who had the newest equipment, or the biggest gym or the most cardio. But now, that competitive strategy just doesn't cut it. Customers know that businesses are struggling, and they are much more brazen at using this knowledge as leverage to get what they want for less. You know this, and have no doubt dealt with this problem already, but have you come up with a long-term solution? Well, hopefully, this month's article can help.

As you have read in my past articles, and you will hear about when I speak at the National Fitness Trade Show in August, *value* is made up of several clear-cut components. To increase *value*, you have to either give more to your member or charge less for what you're already giving them. The easy way out is to charge less, but this only encourages price shopping throughout our industry rather than potential members seeing how you are different from the club down the street. I believe it is also the reason that so many people believe they can get in shape, lose weight and improve their health at home, rather than use our services. Why do they think that? Because most clubs don't give them a reason to believe otherwise, and if they believe all exercise is the same, then why shouldn't they just go with the lowest cost option? Wouldn't you? It's only logical, and unless your club offers more, your long-term survival potential is limited.

With that out of the way, here's a "basics" tip sheet to get you moving towards providing more value with each membership. Much of this will sound like common sense, but common sense often escapes us when we're engulfed in the day-to-day business of running our clubs. This list isn't all-inclusive, as there are many more things you can do to add value to your

memberships, but if you're doing all ten things on this list, you're doing a good job of providing more value than just keys to the door.

10 Ways to Provide More Club Membership Value

Follow Up, Follow Up, Follow Up

- Following up shows you care about your member doing business with you. Don't vendors call you to make sure you're satisfied with the service or product they provided? Well, you should be doing the same. Remember to use multiple means for following up with your members; phone, mail, email and especially in person. Do it often, but don't be a nuisance, and remember to be genuine with your follow up. If a member voices a complaint, fix it and then show that member personally that you fixed it so he or she knows you heard the complaint and took it seriously.

Know Your Members - You have to regularly survey the membership, and a lot of clubs do, but what do they do with that survey data? Usually nothing. If you really want to make an impression, the next time you're surveying your membership, ask what are you doing right and what are you doing wrong? Then, publicly post the survey results and act on what you have learned. Once you have acted, publicly let members know you are acting on the results. Don't just assume they're going to notice you made changes because you listened to them. Tell them. Loudly.

Get Onboard with Social Networking Online

- Many club owners and managers are reluctant to spend much time doing anything that has to do with the Internet. They just think they're too busy; however, it's a matter of priorities. Social networking websites are tremendous marketing tools that have such enormous potential, both for internal marketing and external marketing, that owners and managers should be making it as much a part of their day as opening the doors. Facebook has become the dominant player, and they have great functionality when it comes to developing a

business Facebook profile. If you'd like a free e-book on "How to Get Started With Facebook," you can go to The Independent Health Club Networking Association website (www.ihcna.org) to download a copy.

Create a "Member Rewards" Program

- Automakers do it. American Express does it; they even have a slogan, "Membership has its privileges." So, why can't you? Partner with as many local businesses as you can who will give your members a discount just for showing their member key tags or membership cards. It's a win-win-win. The member gets added value for being a member at your club, the local business gets a customer they might not have gotten and you get a happier member.

Make Sure They're Attending

- Why worry about them attending? Because those who attend achieve their goals, and those who achieve their goals, stay a member and talk positively about your club. They realize the value they're getting for the hard-earned dollar they're spending with you. This is so important that you should even incentivize them to come in. Reward those who attend with a logoed t-shirt or a key chain or some other trinket. If you doubt the worth of a strategy like this, then ask yourself "Is a \$10 investment for a t-shirt that says, 'HARDCORE Member of the Month' worth it to retain a \$600 per year membership?" You bet! Plus, it's free advertising when they wear it around town.

Try to Learn Every Member's Name

- This is darn near impossible for one person to do, but if your entire staff is up to it, it's not nearly that impossible. Make it part of every week's staff meetings that each of the staff have to get up, show a member's club membership picture and say a few things about the member; things they couldn't know without talking to the member. This high-touch approach to customer service makes your members feel important. Think about it. What made "Cheers" such a special bar that they made a TV show about it? I'll tell you. Because it's "Where everybody

knows your name."

Say "Happy Birthday"

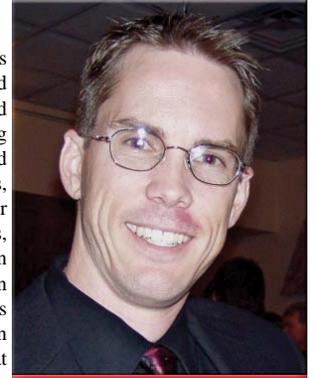
- This is so easy that no club should miss out on doing it. Plain and simple, everyone loves getting birthday cards. In this day and age, when email dominates, people still send each other greeting cards on holidays, anniversaries and especially on birthdays. So, here is a solution to make sending birthday cards easy. SendOutCards.com is an incredible online company that allows you to create postcards, send them to a mailing list that you upload, and never have to touch a card, stuff an envelope or lick a stamp. Prices start at only \$0.59 each, including the postage. If you had 1,000 members, that's \$590 per year, or less than \$50 per month, to recognize all your members on their birthday. You can even add in a birthday gift like 15% off a personal training package, which creates an up-sell opportunity.

Add Non-Traditional Perks to Being a Member

- Make your club, *a club*. Set up an area for members to grab a cup of coffee in the morning on their way out after their workout. Partner with a traveling auto detailing company to do details in your parking lot several times per week. You could even get the detailer to give a 10% or 15% discount if your member shows a receipt from your club for a purchase on that day. Have dry cleaning pick up and drop off. Hold Members-Only socials one evening per month. Get creative. I'd love to hear about your ideas, so feel free to email me at jeffrey_keller@msn.com.

Give Your Members an Adversary

- Some members like to compete against each other, some members like being part of a team that competes against other teams and some members can compete against abstract adversaries (like their excess body weight). Any way you slice it, competition equals increased participation, which equals goal



Jeffrey Keller, M.S., M.B.A.

achievement, and we already said goal achievement makes members feel they're getting value out of their membership.

Be visible - Nothing is worse than joining a club and then never seeing a live person again, other than when you walk past the check-in desk. Managers need to be out in front of the membership, not hiding in their office. Visit with the membership every day. Make it part of your schedule to walk around the club visiting with people multiple times during the day. Never be too busy to talk to a member, whether it's to listen to a complaint or to just say, "Hello."

So, there you have it. A list of 10 things you can do that are very affordable, if not free, and will add value to your membership. If you have the opportunity to come to the National Fitness Trade Show, to be held at the Grand Sierra Resort and Casino in Reno/Tahoe, Nevada this August 18-20th, come to my presentation on "Leveraging Strategic Value Management for Success." The entire show is **FREE**, and you can stay in the host hotel for just \$79 per night. Nothing can beat that kind of return on investment.

(Jeffrey Keller, MBA, MS is the General Manager of Eagle Point Recreation Complex outside of Houston, Texas. Jeff may be reached by email at jeffrey_keller@msn.com)

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How Technology Improves Referral Success *AND* Saves Money

By: Casey Conrad

Every club operator knows the value of obtaining referrals at the point of sale. New members are happy about their purchase. They are excited about starting a new exercise program. They are more likely to give referrals when the "asking" is part of the paperwork process, and unconsciously, they are looking for ways to justify their purchase. Certainly, getting friends and/or family members to join is one way to validate their purchase and help them stick with their exercise program through a better support system and the accountability of a workout buddy.

For years, I have been a passionate advocate of a structured point of sale referral process. The elements necessary for the success of any referral program are founded on value, scarcity and urgency. The components needed to implement a system include:

- A clearly defined policy for guest passes, ensuring that the passes offered new members during their enrollment process have a greater value than any other pass available to members or the general public at any other time.

- A written script that all salespeople memorize. It should inform new members of the club's guest policy and introduce them to the new member special pass program, emphasizing that it is a new member-only privilege and has a short expiration date (i.e. these particular passes expire 2-4 weeks after enrollment).

- A cap on the number of passes given to each new member, which helps create a scarcity component.

- Professionally prepared and printed materials, which includes a referral form and passes.

- An accountability system that ensures salespeople are actually attempting to get referrals at the point of sale.

- An incentive system that encourages members to refer their friends. This can be gifts,

credits on their club account or monetary prizes. These prizes can be identical to the club's existing member referral campaign (which a club should have 3-4 times a year), BUT the passes for new members should always be of a greater length than any other passes available to members or walk-ins (I said this in the first point, but it is so important that I wanted to say it again!).

Clubs incorporating all these elements have enjoyed a tremendous success with point of sale referrals (assuming their salespeople use the system and ask). I can remember when I began selling health club memberships; our referral form had 10 spaces for referral names, and we often obtained 10 or more names. Of course, not to date myself, but that was also the place in time when the answering machine first hit the market!

A lot has changed since then; a savvy consumer, a more cynical consumer, a more cautious consumer, voice mail, e-mail and much busier lives. Although many clubs still use a traditional approach to point of sale referrals, there is no denying the reality that even the best salespeople get fewer names from new members. Many people don't want to give a "salesperson" the name and phone number of their friends for fear of upsetting their friend. Perhaps an even bigger problem is that many salespeople fear upsetting the sales process by asking for referrals and avoid it altogether. The combination of salespeople not asking and a consumer who has become less likely to provide a list of names and contact numbers opens the door for a new approach to point of sale referrals.

Technology provides health clubs with a fantastic opportunity to eliminate these two obstacles, thereby maximizing point of sales referrals. Let me explain by giving you an example. Let's assume that ABC health club charges \$15 per visit for guests and has a fairly liberal policy of giving away 1-day trial passes to first time visitors. Here is what would happen with the

new member.

1. The new member joins and the salesperson goes through the usual paperwork process. While going over the new member information, the salesperson explains the guest policy (rules, cost, etc.) and then informs the new member that they are eligible to receive 3, one-week passes (valued at \$50). The passes must be used by three different friends who are 18 years of age or older.

2. The salesperson then tells the new member that they will be receiving an e-mail from them that night welcoming them to the club and containing a link to their guest passes. Most importantly, when the member opens the e-mail and clicks the link, they will be brought to a secure page that allows them to directly send an invitation to their friend to download the guest pass. Further, the e-mail comes from the new member's e-mail address, NOT the club's. This ensures the member that the salesperson is not calling their friends, and if the friend doesn't want the pass, they simply don't request it.

3. After the new member leaves, the salesperson pulls up an online form --that is linked to a database-- where they enter the name and e-mail address of the new member, along with his name as the responsible salesperson. Once this is done, the new member's information is placed in the online database and an e-mail is automatically sent to the new member, welcoming him to the club and giving him the link for sending his personal guest pass invitations to his friends.

4. The new member gets the message in his inbox, clicks the link and then fills out the form with his name, his e-mail address and the first name and email address of those whom he wishes to send an invitation.

5. Once this form is completed, the email invitations are automatically sent to his friends! Best of all, they come from the new member's email address, greatly

increasing the chance of the message being read.

6. The friend gets the email invitation for the free guest pass. If they wish to get the pass, they click a link in the email which brings them to a short form that tells them the details of the pass, the value and has them fill out only his name and email address.

7. Upon filling out their form, the friend's information is then sent into the database but placed in a separate area for referrals, allowing the club to keep accurate statistics on the number of obtained referrals. The guest pass is AUTOMATICALLY sent to the friend's inbox. Further, one or more reminders can be programmed into the system, which are sent out several days after their initial opt-in for the guest pass.

Although this may sound complicated, it is quite simple. However, if you have never used or participated in any type of opt-in e-Marketing, it can be difficult to visualize. For you visual people, if you would like to see an interactive video that shows exactly how this process works and gives you screen shots of the entire process, please go to www.smartclubmarketing.com/videos/ereferral-video.

There are many benefits of using an online referral process.

First, as was already mentioned, it makes the process less intimidating for members and new or less confident salespeople.

Second, the system allows clubs to know exactly how many friends have registered for the guest pass. What gets measured gets results!

Third, because the receipt of the free guest pass requires a valid email address, the club has the ability to follow up. This happens because the online database that is used to collect the names of those who register



Casey Conrad

is specifically created for internet marketing purposes. This means that the IP address of the registrant is identified (and displayed in the database), thereby avoiding any legal "spamming" issues. Most importantly, from an effectiveness standpoint, the opt-in and IP address element ensures delivery of email messages. So long as the person doesn't change his email address or opt-out in the future, delivery rates stay in the 90th percentile, which is fabulous.

Finally, the system is eco-friendly. No paper is used in the entire process!

There may be some clubs with a more aggressive and skilled sales staff who question why they should utilize this type of referral program. Certainly, if a salesperson or sales team is successfully obtaining point of sale referral names and contact numbers or emails at the point of sale, they should not abandon the system! Rather, they should use an electronic referral system in an ancillary manner as a "safety net." Specifically, they would only use such a point of sale program with members who choose not to give names during the enrollment process. This allows you to be more proactive and call some referrals while maintaining the opportunity to obtain "bonus" referrals from individuals not comfortable

(See Casey Conrad Page 20)

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...Casey Conrad

continued from page 18

giving their friends' information.

Technology offers club operators many wonderful tools that can be incorporated into the sales and marketing process. As consumers become more and more e-Savvy, these mediums will become as common place as having an email address is today. So, don't wait for technology to pass you by. Begin discovering simple strategies that can be easily added to your marketing mix, and before you know it, you'll be generating more leads at a lower cost and selling more memberships.

(Casey Conrad is a 25-year industry veteran of sales and marketing. She has spent the last two years studying internet marketing and is now teaching club operators how to incorporate these strategies into their business. For more resources on e-Marketing, please visit www.SmartClubMarketing.com or contact Casey at info@SmartClubMarketing.com)

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The Management Mentor Program for Better Club Integration

By: Karen Woodard-Chavez

So many of the clubs I have worked with are not as functional and profitable as they could be because the management staff is not as functional, operationally, as it could be. If you look at the management structure of many clubs, perhaps even your own, the management and all of their respective departments operate somewhat independent of each other rather than in an integrated fashion. When that is the case, information does not get shared as readily as it should and expertise is not shared as frequently as it should be, so growth is stunted for the entire organization.

This very simple program, **The Management Mentor Program** is designed to initially focus on the management staff at the club, but once that purpose is achieved, this program can be extended into the ranks of the entire staff.

For now, let's focus only on the management staff. The purpose of this program is to *integrate the management staff* of the club, resulting in the following outcomes:

- A broader and deeper understanding of each department

and each manager's jobs and challenges within each department

- Integration of the management staff

- Integration of the departments within the club rather than independence from each other

- Utilization and growth of management talents in a more collaborative manner.

Format for the Program

At your club, let's make an assumption that there are 9-12 managers, including the club owners. If that is not the case for your club, then you can wiggle the numbers, but I do find that 3 is a very functional number for each group.

- Three managers team up for three months during which they would meet for 30 minutes per week --consider Group Fitness, Reception and Accounting Managers-- very diverse from each other and what they can teach about their own department as well as learn from the others.

- The focus is to help each other with departmental challenges, issues or for creative purposes.

- Prior to the formation of the team, each individual would define the three issues for which they each are seeking help.

- The GM may also have some issues that they would like each group to work on as well --perhaps having each department head understand P&Ls more clearly and how each department head can affect the outcomes of the P&L.

- The defined issues would also be given to the club GM for tracking purposes.

- As the three months progress, other issues will come up that they will be able to assist each other with.

- At the end of the three months, a written summary of what they learned about each other's departments, as well as the assistance/benefit they received from each other, would be given to the GM as well as shared with the rest of the management staff.

Continuation of the Program

- Different teams would be formed every three months, allowing all managers to work with different groups and have

a better understanding of all the departments in the club.

- The same process would be repeated with each group, with different issues to resolve.

Outcomes

Consider how much more effective your organization will operate when your managers are:

- Integrated, rather than independent

- Collaborative, rather than competitive

- Utilizing their talents and skills on a higher level

- Expanding these points to the employees in their departments.

Better and stronger internal organization impacts how we serve our Members. This simple program will be culturally transformative in your organization as well as improve



Karen Woodard-Chavez
the profitability of your business.

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

View Karen's Author Profile at
www.clubinsideronline.com

SilverSneakers Member Turns 101 Celebrates at Lifestyle Family Fitness

As originally reported at www.clubinsideronline.com on July 2, 2009:

TAMPA BAY, FL - She didn't earn the nickname "Amazing

Milly" by sitting around at home watching television. Mildred Fisher celebrated her one hundred and first birthday this week, alongside classmates and friends from her SilverSneakers fitness

class at the Lifestyle Family Fitness in Largo.

In Florida, the Healthways SilverSneakers Program is offered to eligible members of Humana, and Milly is among the 16,500 members currently enrolled in that program at Lifestyle Family Fitness.

"To have a major healthcare provider like Humana underwrite preventative healthcare, in this manner, is tremendous," says Geoff Dyer, the founder of Lifestyle Family Fitness. "I think SilverSneakers is one of the best programs to evolve in the industry."

Milly enjoys both the SilverSneakers Yoga Stretch class and the SilverSneakers 2 Cardio Circuit. She can do many advanced exercises.

"I love to enter a club late in the morning and find our SilverSneakers classes full with active seniors thoroughly enjoying the positive environment provided by our clubs," says Dyer.

Milly works out twice a week, plays golf weekly and bridge with her friends regularly. She is the epitome of health and activity, and you would never guess she was in her hundreds.

"The way she moves is simply amazing. You would never guess her age," says Batia Wall, the Lifestyle Family Fitness instructor who teaches the SilverSneakers classes Milly attends bi-weekly.

So, what are Milly's secrets to living a long and happy life? Exercise daily, keep yourself mentally challenged, eat healthy



Mildred Fisher (Age 101)

and do some volunteering.

"Volunteering makes your whole being feel needed and wanted, and appreciation is very good (for your health)," says Milly who never smoked and always sticks to red wine if she's going to have a glass of wine.

To keep herself mentally challenged, Milly plays Cryptquote in the paper each day.

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First Annual Medical Fitness Institute Deemed a Success by Attendees

As originally reported at www.clubinsideronline.com on July 10, 2009:

RICHMOND, VA - The Medical Fitness Association (MFA) recently concluded the first annual Medical Fitness Institute (MFI), co-sponsored by Technogym and TRUE Fitness, June 11-14, 2009, at Vanderbilt University in Nashville, TN. Attendees and faculty members from 19 states, gathered to discuss leadership in the medical fitness industry.

"The Medical Fitness Institute was a very valuable

event and unique in that the group was small enough that we could network and share information with the other attendees during and between all of the speakers. The presenters were incredible; covered a wide range of topics; and, shared real life experiences and events," said Kay Benward, Supervisor of Healthplex-Capital Regional Medical Center and MFI graduate.

The MFI curriculum was designed to address the growing need for educated, talented individuals to manage medically-integrated health and

fitness centers. The seminars included topics centered on the medical fitness model and medically integrated facilities and incorporated information on marketing; recruiting and retention of staff; clinical integration; aspects of the medical fitness difference; facility certification; and strategic planning.

With a limited class size, students and faculty enjoyed an intimate setting where they were able to connect and share experiences throughout the event. The 2009 MFI graduates will have the opportunity to continue

these new relationships through a year-long mentorship program. Industry leaders will be assigned to MFI graduates to provide input and motivation and to guide them through the implementation of the MFI curriculum.

"What made the program such a success was the closeness of the group in all of our interactions," said Deborah Riggs, General Manager of TriHealth Fitness and Health Pavilion, and speaker at MFI. "With a group size of less than 40 participants, you had time throughout the event to get to

know each other, share ideas, and bond as a professional group. Unlike other conferences where you attend different sessions, here you all were together all day, ate meals together and then socialized at night together. This kind of interaction combined with the incredible seminars and valuable information presented is exactly what we need to help develop future leaders in the industry."

The location and date for the 2010 Medical Fitness Institute will be released in September. Visit www.medicalfitness.org.

Medical Fitness Association (MFA) Publishes 2009 Medical Fitness Industry Compensation Survey

RICHMOND, VA, June 24, 2009 - The Medical Fitness Association recently released the results of the 2009 Medical Fitness Industry Compensation Survey. The major sections of the survey analyze and provide data on demographics, financial

information, compensation, and industry trends. The compensation analysis includes salary data on management positions, hourly staff positions, and salary to revenue ratios by facility size. Over 30 job categories are included in the latest report, as well as

information on employee benefits.

The medical fitness industry trends analysis compares today's annual salaries and hourly rates to those of 1998, 2007 and 2009 on a percentage increase basis. Over the past 2 years annual salaries and hourly rates have

risen an average of 15.33%; over the past 11 years these rates have risen an average of 46.7%. The majority of responses (84%) are from the South and the Midwest, the two regions that also have the majority of the medical fitness centers currently operating.

To order a copy of the 2009 Medical Fitness Industry Compensation Survey, visit www.medicalfitness.org.



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2009 DISTINGUISHED SERVICE AWARDS

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

FREE SEMINARS

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

	Closing The Seven LOOPS for Health Club Success in Today's Challenging Times - Mike Chaet "ClubDoc" This session is created to answer the tough questions as to how to SURVIVE AND EVEN THRIVE in today's craziness. Economic upheaval, over development, and tight money are having their effect on everyone. This workshop will help you understand how you can move to the head of the pack instead of falling by the wayside.	
8:00 a.m. - 9:20 a.m.		
	RED'S Five Strategies for Personal and Professional Success - Red Lerille, Former Mr. Universe, Owner Red's Athletic Club, Lafayette, LA Red has been successful in all areas of his life both personally and professionally. He owns and operates one of the most successful clubs in the country. He is here to share with us his own personal SECRETS TO SUCCESS. You need to attend this one.	
9:30 a.m. - 10:20 a.m.		
Time	Marketing and Sales Track	Management Track
10:45 a.m. - 11:30 a.m.	Why Building Trust In Your Community Is The Key To A Great Future For Your Club - Norm Cates, First IHRSA President, 20-year club developer, owner/operator, and 16-year Publisher of Club Insider	Using Data to run your club profitably - Scott Burgess, VP of Operations, Fiserv
11:30 a.m. - 12:30 p.m.	Lunch Break	
12:30 p.m. - 1:15 p.m.	Shoestring Marketing - Mark Davis, Master Trainer and VP CMS International	Using Systems to build Accountability, - Leesa Kirkland - Owner CMS Fitness Center Baton Rouge, Louisiana
1:30 p.m. - 2:15 p.m.	The Five Secrets To Successful Healthclub Marketing - Jarrod Sarrocco	How to Analyze Your Financial Information - Bryan Dugger CPA Owner Ogden Athletic Club
2:00 p.m. - 6:00 p.m.	National Fitness Trade Show Exhibits	
6:00 p.m. - 8:00 p.m.	Lifetime Achievement Award Banquet	

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

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

	How to Pull Profits From Thin Air - Donna Krech, Founder Thin and Healthy - Total Solutions and Life Success	
8:00 a.m. - 9:20 a.m.		
Time	Marketing and Sales Track	Service and Retention Track
9:45 a.m. - 10:30 a.m.	Selling More Memberships Starting Tomorrow Using The Trust + Value = Price Matters Less Theory - Mike Deigan, Owner Temecula Athletic Club, Temecula, CA	Lawsuits and Liability: Steps club owner's can take to defend their club - Ken Reing, Sr. VP of Association Insurance Group
10:45 a.m. - 11:30 a.m.	Close Each and Every Sale - Mark Davis	The FISH Philosophy to Improve Retention - Steve Lundin
11:30 a.m. - 12:30 p.m.	Lunch Break	
12:30 p.m. - 1:15 p.m.	Creating a Culture of Self Accountability - Dennis Shepherd, Former Owner Carmel Valley Racquet Club	Creating a Service Culture - Charley Hauser, Owner Wilmington Athletic Club, Wilmington, NC
1:30 p.m. - 2:15 p.m.	Sell Sell Sell - Duane McGill, Owner Human Behavior Sales Academy	Leveraging Strategic Value Management for Success - Jeffrey Keller, General Manager, Eagle Point Recreation Complex
2:00 p.m. - 5:00 p.m.	National Fitness Trade Show Exhibits	
7:00 p.m. - 9:00 p.m.	Ms. Fitness World Finals	

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

	Innovation Everyday In Every Way - Steve Lundin, Bestselling Author of FISH - Top Performer and CATS This refreshing approach based on the recently released book, CATS: The Nine Lives of Innovation, brings innovation out of the clouds and into the lives of everyday people trying to make improvements in their work and in their lives. After all, organizations don't innovate, people do.	
8:00 a.m. - 9:20 a.m.		
	The Pictorial and Dialog History of Physical Fitness - Bill Pearl, Former Mr. Universe, Owner Bill Pearl Enterprises, Medford, OR Bill will be taking us back to the Greek and Spartan society of physical culture, then bringing us forward to today's health and fitness lifestyle. It's a fascinating presentation that should be seen by everyone in our industry. Don't miss this one.	
9:30 a.m. - 10:20 a.m.		

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

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

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August 19, 2009 - 7:00 p.m.

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

Teens Adopt Healthier Lifestyles Through the Teen Fitness Connection

As originally reported at www.clubinsideronline.com on July 1, 2009:

BOSTON, MA - The International Health, Racquet and Sportsclub Association (IHRSA) announced the start of the Teen Fitness Connection on July 1, 2009. Now in its second year of promotion by IHRSA, this nationwide community outreach initiative is designed to introduce exercise to teens by offering free summer matinee memberships. The program invites club owners and executives to fight teen obesity and physical inactivity on a local level by reaching out directly to the community.

Teen Fitness Connection is part of a continuous effort by the health club industry to change the direction of teen fitness and health in the U.S.

The program offers a complimentary membership to "first-time visitor" teens aged 12-17 during the summer months. As part of their membership agreement, teens must check in before 3PM and leave by 5PM on weekdays. Hours can also be set on a club-to-club basis. It is easy to implement and can be modified to fit the needs of individual clubs. In addition, IHRSA will provide participating clubs with complimentary marketing materials, press releases, and ongoing

support throughout the program.

Geoff Dyer, founder of the Teen Fitness Connection and Lifestyle Family Fitness health clubs created the program in an effort to reach the increasingly overweight and obese adolescent populations, which continue to grow at an alarming rate. According to the Centers for Disease Control and Prevention, over 17 percent of teens are overweight and obese, and in addition, the U.S. Surgeon General reports that only 25 percent of teens are active for the recommended 30 minutes a day, 5 days a week.

"By opening our doors to teenagers, we can help them

engage in a healthy, active lifestyle earlier in life and help them establish a life-long exercise routine," said Geoff Dyer, Founder of Lifestyle Family Fitness and Founder of the Teen Fitness Connection.

"When you're building a strong foundation, you teach a child that they have control over their life, mentally and physically," said Lynne Brick, President and co-founder of Brick Bodies and Lynne Brick's Women's Health & Fitness and IHRSA Board member. "We're not just building bodies, we're building lives."

The Teen Fitness Connection program is a chance

for health clubs across the nation to band together and facilitate a solution to teen obesity and physical inactivity. In addition, it is a prime opportunity for introducing potential members to health clubs --currently 2.5 million members, ages 12-17 belong to a health club, a 10% increase from the previous year according to the IHRSA/American Sports Data Health Club Trend Report.



Health Club Media Network (HCMN) Agrees to Acquire Alloy Fitness Network

As originally reported at www.clubinsideronline.com on July 1, 2009:

WOODLAND HILL, CA - Health Club Media Network (HCMN) announced today its acquisition of the Alloy Fitness Network from Alloy Media Marketing. The transaction includes an undisclosed cash sum plus certain future contingent payments.

The Alloy Fitness Network includes contractual agreements for media panel placements in over 700 health clubs in 120+ DMAs across the United States.

With this acquisition, HCMN immediately assumes all the Alloy Fitness Network contracted and exclusive in-club advertising rights, including over 3,000 current physical media placements --expanding HCMN's

industry leading reach to nearly 4,000 health clubs and well over 25,000 static panel, digital screen and InsideOutdoor(TM) media placements nationwide. On a national basis, HCMN's offerings will now be seen every month by over 15 million health club members visiting their club nearly 100 million times.

"We're thrilled to add the Alloy Fitness Network's vibrant and valuable array of clubs to

our continually growing health club base," said Ken Williams, HCMN's CEO. "The market's interest in our health club media and marketing network continues to grow among agencies and their brand clients. Adding the Alloy Fitness Network to HCMN's

already expansive roster of health clubs will only help us serve our clients more effectively. It will also provide HCMN with increased options as we continue to roll out our burgeoning digital media network in health clubs across the country," he added.



Formerly Health Club Panel Network.

Study Shows Email Has Significant Impact on Increasing Healthier Lifestyle and Exercise Adherence

CHARLOTTE, NC - June 16, 2009 - A recently published study has found that email communication has a significant positive effect on a person's health and fitness. According to the study published in the June issue of the *American Journal of Preventive Medicine (AJPM)*, using email to regularly prompt people to follow a healthier lifestyle resulted in measurable improvement in the person's health and exercise regimen.

The study, conducted by Kaiser Permanente and

NutritionQuest and funded in part by the Centers for Disease Control and Prevention, measured the impact of a program devised by a public-health professor at the University of California, Berkeley that delivered brief, regular emails to a group of individuals. The emails consisted of simple suggestions for healthier eating or improving exercise habits. Compared to a control group, those in the email program showed a significant increase in exercise adherence and healthier living.

The AJPM findings are consistent with a medical review published by the *Center for a Livable Future* at Johns Hopkins Bloomberg School of Public Health. Published in May 2009, the review (*Periodic Prompts and Reminders in Health Promotion and Health Behavior Interventions: Systematic Review*), found 11 studies conducted since 2006 that showed that periodic communication with participants resulted in a positive impact on a person's health and fitness.

Retention Management

has been providing a comprehensive email communication service to fitness centers since 2003. The foundation of the service has been an automated personalized email program that analyzes each member's specific attendance pattern and then uses that data to assist the member in maintaining or developing a consistent usage pattern. These usage-based emails also include the latest health and wellness information designed to assist each member in leading a healthier lifestyle. The service

also includes a new member integration program, marketing emails and prospect sales emails.

"This new study, along with those already published, further validates how our service not only assists members in achieving their goals, but provides our customers with a distinct operational advantage over their competitors. Members who achieve results are not only happier members but retained members," said Richard Ekstrom, President and Founder of Retention Management.

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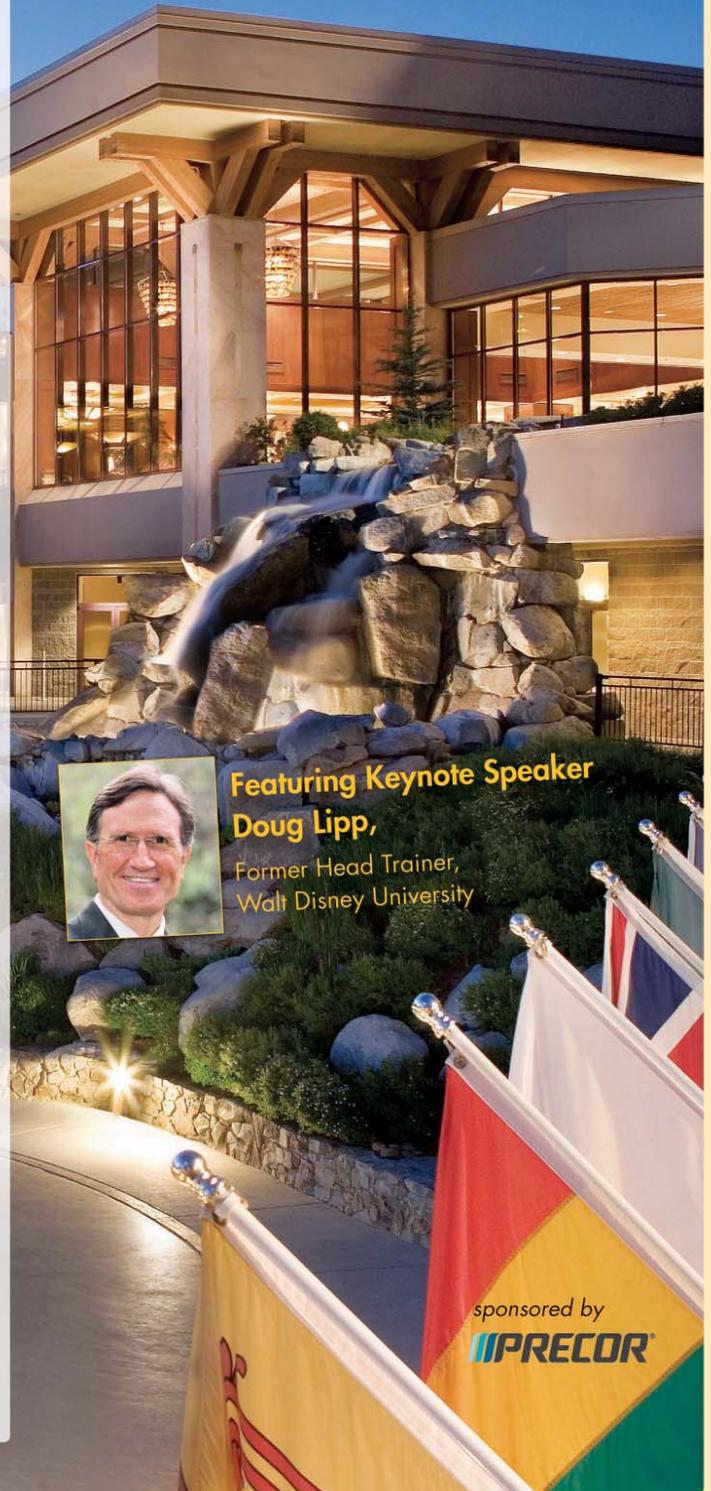
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Programming Tip of the Month: *The Summer Season Has Its Programming Rewards*

By: Sandy Coffman

June through August are usually thought of as the months that clubs experience their greatest attrition. I have found that many clubs just hope to get through to September and trust that memberships will pick up again. The worst part of that plan is that, even though you will see more traffic, the number of people who were members and quit using the club for two to three months will not come back, and you find yourself even further behind the eight ball. That does

not have to be the case, and it's still time for you to pump up your business this summer.

The Cruisin' Campaign

The **Cruisin' Campaign** should be one of your *Specialty Programs* that is run annually and only in the summertime. The program gets your *new members involved immediately*, keeps your *existing members active*, and can be a great incentive program to offer to potential members. The **Cruisin' Campaign** program is easy and fun and requires a

minimum commitment. The object is to get --and keep-- your members interested in your club. The incentive is to give your members the chance to win a four-day cruise.

Description

1. This is a full-club program, so all the activity areas will have participation opportunities. Use all the activities in your club. Some large multipurpose facilities will have eight or more options, whereas others may only have a few areas for fitness available.

For those, you may have to double up on required activities or get creative with various types of exercises or workouts.

2. This campaign could be open to all four groups of members. It is specifically important to get new members active and to keep existing members active. The **Cruisin' Campaign** can also be used to bring back the many members who joined in the winter months with good intentions but dropped out for one reason or another. Special marketing efforts (See *Sandy Coffman Page 30*)



Sandy Coffman

...Norm's Notes

continued from page 8

by court orders, Stanford is trying to arrange funds to pay for his defense. Stanford's come a long way since his health club days...

• **Morris Press Cookbooks**, established in 1933, is a company you may have received a mailer from, but if you didn't, let me tell you about it briefly. This company produces custom-made cookbooks that could be great member and staff Christmas and Holiday gifts, pro shop items and even charity fundraising items for your club. Go to www.morriscookbooks.com/fitness for more information.

• **Nine more Bally Clubs** have closed, and this presents new challenges. **RICK CARO** comments on those challenges in **Athletic Business Magazine's June edition**. To receive a copy of the article, contact **Management Vision in New York City** at (212) 987 - 4300.

• The "F as in Fat: How Obesity Policies Are Failing in America 2009" report, produced by the **ROBERT WOOD JOHNSON Foundation**, says the **Fight Against Fat** is being lost in America with the news **July 1st** that obesity rose in twenty-three states, and four Southern states are leading the fat race; **Alabama, Mississippi, Tennessee and West Virginia!** History may show that more stress = more drinking and eating = less energy and mindset to exercise = weight gain = the

single problem that could destroy the economy of the United States if not corrected and soon = obesity! Yet, only 15% of the United States population are currently members of health and fitness clubs/centers, and certainly, we're not going to change that during these economic times. I suggest we face the fact that our facilities are underutilized, and many clubs could service twice or more members than they service now. Our trick will be how to get them to trust us and come in to exercise in these wonderful facilities.

• **ALLISON FLATLEY's L&T Health and Fitness in Falls Church, Virginia** is celebrating 25 years of helping people, and Allison came up with a special way to celebrate. Starting on **May 28th**, Allison **motivated more than 13,000 people** to participate in the great effort she calls the "**25,000 ON THE MOVE**" challenge, and they chose to donate a sum of **\$3,500 to Augie's Quest**, the research initiative to cure ALS. Also, for each registrant, L&T Health and Fitness donated 25¢ to **Augie's Quest**. Congratulations Allison on this great "On The Move" effort and all the good you all have done over the past 25 years! Go to www.LIwell.com/onthemove for more information.

• Folks, if you listen to **NEAL BOORTZ** everyday, like I do, I know you will want to vote for him for the **Radio Hall of Fame**. Neal, after 40 years of talk radio excellence, really should receive this nice honor. It's easy to vote.

Just go to www.radiohalloffame.com. If you don't listen to this great American leader who wrote the **New York Times Bestseller, The FairTax Book**, and its sequel, with **Congressman JOHN LINDER**, check your local AM radio stations, and it is likely you will find Neal's show. Alternatively, go to www.wsbradio.com and listen to Neal's show online! Vote for Neal today!

• Check out the **Page #6 "Insider Speaks"** column this month entitled, "**Be Smart When Dealing With The Press!**" for a story about two gym owners who set up a weight loss contest with a **\$1,000 prize**, \$500 each for two winners. But then, they didn't give out the prize money for a couple of months, causing a lot of participating members to become upset and the local 1.6 million circulation newspaper to write a nasty story (and according to these owners, inaccurate story) with a nasty headline. Again, such press is damaging to the trust and reputation of our industry at large, and the truth is, this nasty article and industry trust- and reputation-damaging headlines could easily have been avoided. **Stay Tuned!**

• **DEREK BARTON**, the "**Master of Branding and Marketing**," has joined the **CLUB INSIDER Contributing Author Team**. In our **August 2009 Special Edition**, featuring the cover story entitled, "**TRUST**," Derek will deliver an article entitled, "**Brand Passion**," and I know you will benefit from it.

Also, welcome back to **BONNIE PFIESTER**, Co-owner of **Longevity Fitness Club & Spa Beach, FL**, as a **Contributing Author**, as she delivers "**10 Ways To Build Trust of Your Club In Your Community**." **Stay Tuned!**

• **God Bless America! God Bless you, your family and your club(s)! And, very importantly, God Bless our troops, airmen and sailors fighting for us "over there!"**

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

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...Sandy Coffman
 continued from page 28

will be needed to invite those members to join this program, but it could work very nicely for them and perhaps be instrumental in saving many members.

3. The drawing for the winner of the cruise will be done at a party at the end of the program. Participants' names are put in a box for the drawing each time they work out at the club in one of the designated activities.

•Only one eligible workout per day is allowed.

•One eligible workout per week is required for the drawing.

•Optional (fun) activities will be opportunities for putting names in the drawing to increase the chances of winning.

•Bonus opportunities for putting names in the drawing can be given for completing five eligible workouts in the fitness area, five

in the group exercise program, or five in the court sports area.

4. Here are some examples of eligible workouts:

•A fitness introductory class (e.g., core cardio class)

•A circuit training class

•Any workout with a personal trainer

•Any group exercise class listed on the schedule

•An introductory racquetball or tennis lesson

•A round-robin event or tourny

5. Here are some examples of fun miscellaneous activities that will earn participants the opportunity of putting their name in for the drawing:

•Juggle three tennis or racquetballs for a full minute

•Wear a club T-shirt (with logo)

during a workout

•Jump rope briskly for two minutes

•Make five baskets on the basketball court

•Yell out in a group exercise class, "Hey, Cancun, I'll be there soon!"

6. Each participant should have a **Cruisin' Campaign** sheet or card that is filed alphabetically at the club for tracking purposes. Participants get the card and the workout initialed by a staff person each time they come in.

Tips for Success and Points to Consider

•Get a cruise donated by a local travel agency, or at the very least, negotiate a trade for one.

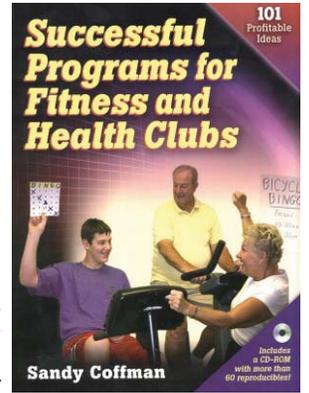
•Sixty to eighty percent of the members who joined your club up to 90 days before the start of the program should be in the **Cruisin' Campaign**. Any member who joins the club within the first couple weeks of the program should join the **Cruisin' Campaign** as well. This will require a program director to set goals and divide responsibilities among the staff to

market and promote the program. The staff will have to be held accountable for achieving this, so the promotions and marketing efforts must start no less than three weeks before the beginning of the program.

•Door prizes other than the grand prize (cruise) should be included in the party.

•If you charge an entry fee for the program, have **Cruisin' Campaign** T-shirts made up for the participants. Have the staff wear the shirts for the three weeks before the start of the program.

•If the program is run successfully, the **Cruisin' Campaign** will be an annual event that members will talk about and look forward to year after year.



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

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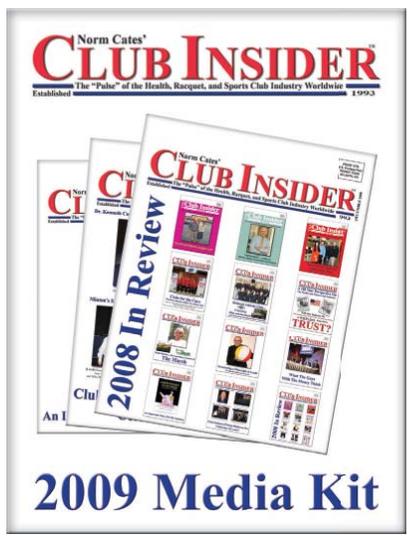
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