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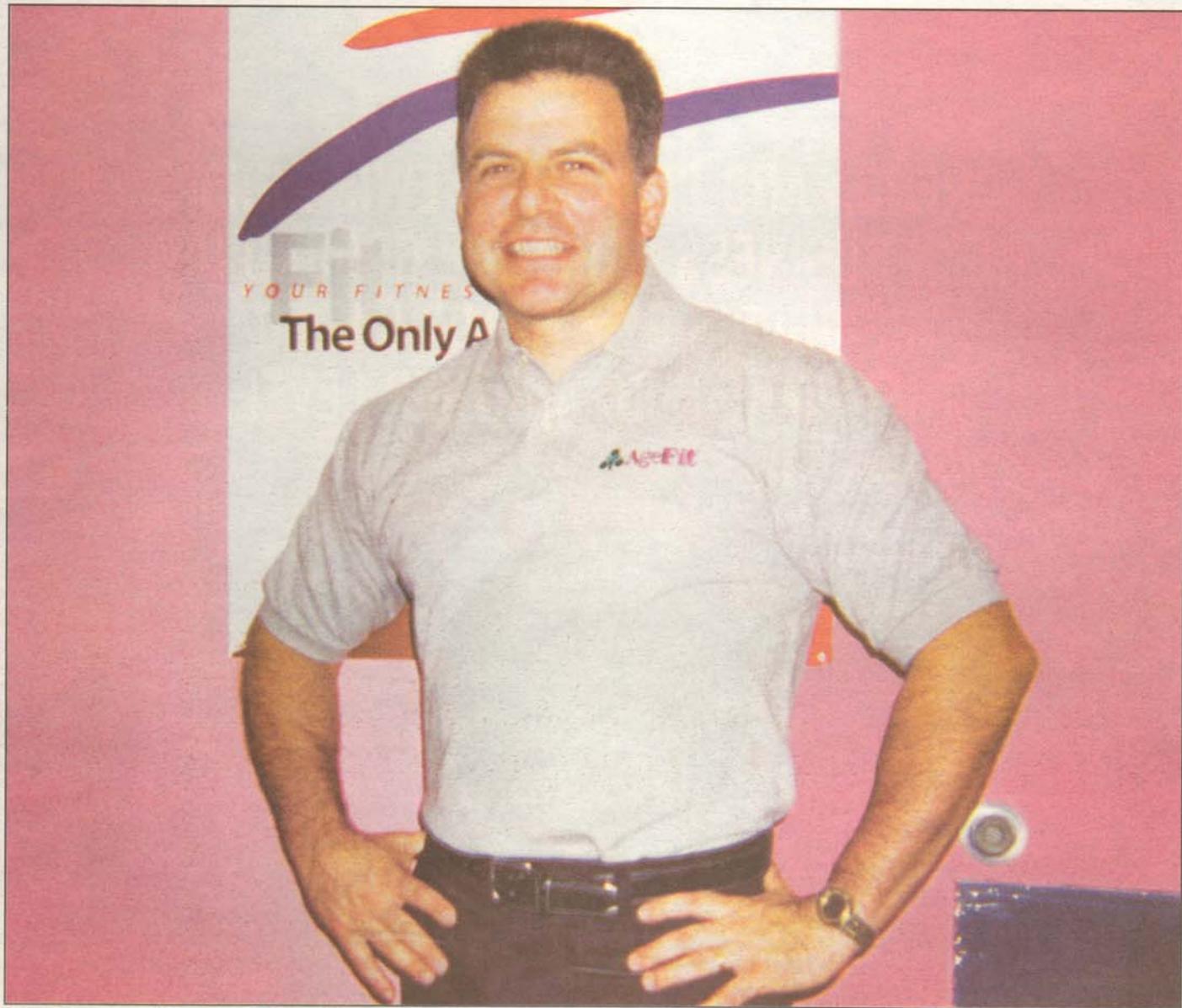
Norm Cates

# THE Club Insider

NEWS

© AUGUST 2000  
VOLUME VII NUMBER 8

*The Pulse of the Health, Racquet & Sports Club Business Worldwide*



## GLENN COLAROSSO

### Helping The Older Get Better



**BRENDA AND PLEASANT LEWIS BUILT  
THEIR BUSINESS FROM THE GROUND UP.  
THE GOLD'S GYM NAME HELPED  
THEM TAKE IT TO ANOTHER LEVEL.**



THE LEWIS FAMILY HAD BEEN IN THE HEALTH CLUB BUSINESS IN THE WASHINGTON D.C. AREA SINCE 1985 AND WERE QUITE COMFORTABLE WITH THEIR OWN NAME AND IDENTITY, IRON WORKS GYM. BUT WHEN THEY CHANGED THEIR CLUBS TO GOLD'S GYM, THEY SOLD MORE MEMBERSHIPS THAN THEY EVER THOUGHT POSSIBLE. BRENDA AND PLEASANT'S SUCCESS, IN FACT, HAS HELPED THEM OPEN SEVERAL ADDITIONAL GYMS, INCLUDING A 32,000-SQUARE FOOT FACILITY IN ORLANDO AND ANOTHER ONE ON THE WAY. AND IF YOU ASK THEM, "IT WAS THE BEST BUSINESS MOVE WE EVER MADE." TO FIND OUT HOW YOU CAN BECOME PART OF THE LARGEST INTERNATIONAL GYM CHAIN, CONTACT THE GOLD'S GYM FRANCHISING DEPARTMENT TODAY AT (310) 392-3005 OR VISIT [WWW.GOLDSGYM.COM](http://WWW.GOLDSGYM.COM).

# THE Club Insider<sup>©</sup>

## NEWS

The Pulse of the Health, Racquet & Sports Club Business Worldwide

## GLENN COLAROSSO HELPING THE OLDER GET BETTER

### AgeFit Sells The Benefits Of Exercise To A Receptive Market

By Peter Healy

Like his well-toned biceps, the census data is bulging on the bar graphs that Glenn Colarossi points to:

\* The number of Americans age 50 and up is expected to grow from 76 million this year to 115 million by 2020.

\* The Census Bureau predicts the current life expectancy of 75 years old in the United States will jump to age 90 by 2050.

\* Americans 50 and older possess half of the nation's discretionary income, own 77 percent of all financial assets and account for 58 per-

cent of all health-care spending, according to the bureau.

\* Health club memberships rose 118 percent among the 55 and over population between 1987 and 1995.

"The age wave is like a rabbit being swallowed by a boa," said Colarossi, a Stamford, CT, resident. "It's a huge mass moving along a timeline. The fastest-growing segment in the health-club market is the over-50 crowd."

Colarossi, 40, did the math and started AgeFit in 1997. The company provides consultants that set up strength training programs at residences for the elderly. The firm's customers include

Westfield Court in Stamford, Stony Brook Court in Darien, Chancellor Park of Ridgefield, Evergreen Woods of North Branford and Laurel Gardens facilities in Milford, Orange, Woodbridge, Hamden and Avon.

Those facilities comprise both assisted and independent living centers. The rest of Age Fit's 12 customers are in upstate Connecticut, Long Island, N.Y., and New Jersey.

Aiming for controlled growth, Colarossi said the privately owned company of which he is President expects to add three to four institutional customers a year.

AgeFit, which has four

employees, trains staff at facilities for the elderly to operate strength training programs for their residents.

The clients exercise their arms and legs on equipment on which they can adjust the weight to fit their strength, age, size, disability or medical condition. The equipment includes leg press, leg extension and leg curl. They exercise their arms by lifting dumbbells, pulling down a bar in a lat pull machine and working out on a modified rowing machine on which they sit upright.

Other equipment comprises treadmills and stationary bicycles, which have pedals and

handles that allow the residents to work out their arms and legs at the same time.

The residents do strength-training three days a week. An AgeFit staffer drops by once a week to supervise residents' workouts and assess their progress.

The institutional customer pays AgeFit a management/consulting fee, the size of which Colarossi would not reveal. He also is Director of Stamford Athletic Club, a fitness center that the Greek Orthodox Church of the Archangels owns at 75 Third St. Colarossi also had been a managing partner of the former Landmark Athletic Club in down- (See Glenn Colarossi page 10)

## LATE BREAKING NEWS

# The Step Company Pursuing Legal Action Against Body Pump (Offenders)

As the BODYPUMP program has grown in popularity across the country, more and more clubs have attempted to duplicate its success with their own version of a group fitness barbell class set to music. The Step Company, agent for BODYPUMP in North America, has experienced numerous legal violations by clubs and

instructors. Until recently, The Step Company has attempted to simply inform infringers of the problem and request they stop. Unfortunately, the lack of cooperation by clubs and instructors is now resulting in stronger action. The Step Company has directed Troutman Sanders, LLP, an Atlanta firm of over 300 attorneys specializing in

intellectual property and litigation, to pursue a dozen clubs and approximately ten instructors, each at various levels ranging from negotiations and discussions to the actual filing of lawsuits.

BODYPUMP is the original barbell class, developed by Les Mills International in New Zealand in 1990 and introduced in

the U.S. three years ago by The Step Company. The success of BODYPUMP, BODYATTACK, BODYFLOW, BODYSTEP and RPM are the result of a seven-step system that includes Group Fitness Management, Program Development, Instructor Training, Quarterly Programming Releases, Quality Control, Research Studies

and Marketing Materials. Clubs that license BODYPUMP and the other programs receive the entire system plus the benefit of 200 professionals and a \$4 million annual budget to deliver world class experiences.

Three of the most common types of BODYPUMP violations are:

(See BODYPUMP page 26)

# State Of The Health Club Industry Report

Our thanks to IHRSA and Life Fitness for the production of and

permission to summarize the 2000 State of the Health Club Industry Report. The State of the Industry

is just one of many publications produced by IHRSA each year. Other IHRSA publications available to both members and non-members include: "Why People Quit" and "Why People Stay" both sponsored by Fitlinxx, "The Economic Benefits of Regular Exercise," sponsored by Precor and International Fitness Club Network, the "2000 Passport," the world's largest reciprocal membership program sponsored by IHRSA, "Mastering Telephone Skills and the Club Sales Professional", sponsored by Sales Makers and Tools System Management and "Fitness

Industry Technology" sponsored by IHRSA. For information on the publications listed above call IHRSA at: (800) 228-4772.

## State of The Health Club Industry Report Summary

Foreword by John McCarthy, IHRSA Executive Director - "The rapid pace of industry consolidation over the past year is likely to continue for at least three or four more years, offering exit strategies for some, expanded career paths for others and rapid

expansion opportunities for those with the capital and expertise to take advantage of these opportunities.

\* Expanding market is more opportunity than ever.

\* Smaller multi-club groups and independent clubs will thrive.

\* It is likely that 10-15 companies will emerge from the consolidation era, controlling 30-35 percent of the industry's facilities.

\* A largely untapped market of 88% of the U.S. and 94% of the international population remain as potential health club members. (See State of the Industry page 4)

## Inside The Insider

- The IHRSA SPOTLIGHT
- Successfully Starting The Sales Process With Guest Cards
- Building An Empowered Workforce
- Unleashing The Full Potential Of Your Fitness Center

# The IHRSA SPOTLIGHT

## 20 Years, \$250 - Again

### IHRSA's 20th Recalls Industry's Progress

By Craig R. Waters  
 Publisher and Editor-In Chief  
 of IHRSA's CBI Magazine

(Reprinted with permission from IHRSA)

The year was 1982. It was the year of the launch of USA Today; the breakup of AT & T; arsenic-laced Tylenol; Hill Street Blues; the arrest of John DeLorean; the death of John Belushi; the beginning of George Wallace's fourth term as Governor of Alabama; and Cadillac Eldorados that cost \$19,700.

It was also the year of the first Convention and Trade Show of an Association, incorporated in '81, that was then known as the International Racquet Sports Association (IRSA), and presided over by Norm Cates, 35, the owner of two clubs in Atlanta. The meeting was held in Las Vegas, January 17-22, and attracted 371 attendees, who paid \$250 per person, and 30 exhibitors, among them LifeCycle, Inc., presided over by Augie Nieto, 23.

Well, things have changed. An Eldorado, for example, now goes for \$39,665.

And, on March 21-24, 2001, when the Association, which is now known as the International Health, Racquet and Sportsclub As-

sociation (IHRSA), celebrates its 20th Anniversary in San Francisco, things will be different. Cates, 54, will be there, but as the Editor and Publisher of The CLUB INSIDER News. So will Nieto, 42, but serving in his new capacity as the Chairman of Life Fitness, along with President Kevin S. Grodski. IHRSA, which now counts some 5,600 facilities in 67 countries as members, expects that more than 10,600 people and 370 exhibitors will show up.

But a few things haven't changed: Convention attendees who sign up by September 30 will still pay \$250 each - a one-time rate roll-back in honor of the Anniversary.

"It felt big, it felt successful, it felt as though we were being presented with an immense opportunity - if only we could get our hands around it," John McCarthy, IHRSA's Executive Director, recalls of the first Convention. Many of the attendees, he explains, were the owners of tennis and racquetball facilities, and the pressing issue was the industry's transition into fitness and from pay-for-play to monthly dues.

"It was a real renaissance," reflects Cates. "The industry was evolving - racquet sports into multipurpose - and



most of us came away with a lot of great new ideas."

The first presenter on the program was architect Donald DeMars, who, like so many of the others in attendance, would go on to become an industry legend. Among the others: Curt Beusman, Peter Burwash, Rick Caro, Dale Dibble, Mike Gebhard, Jennifer Harding, Red Lerille, Todd Pulis, Tim Richards, Alan Schwartz, Ted Torcivia, Mitch Wald, Wayne Westwood, John Wildman, and Ray Wilson. "All of us were incredibly bullish about the future," says McCarthy.

That optimism, like the \$250 admission fee, also remains unchanged. "If anything, the confidence that people had back then, like the industry itself, has grown," he observes. "And tomorrow's opportunities are going to demand the same sort of proactive leadership that yesterday's required."

Today, the issues have to do with such things as consolidation, globalization, computerization, the Internet, IPOs, exercise-entertain-

ment packages, non-industry management teams, and the emergence of menu-driven programs. But IHRSA's convention and trade show is still the place where the new ideas arrive... and thrive. The 2001 event will feature more than 100 sessions, a Spa Business Conference, Fitness Business Conference, and a new Corporate Fitness Conference, as well as a wealth of social activities. And while DeMars, and Caro, and Schwartz, and a lot of other familiar faces will be present, there will also be a host of new ones.

The keynote speakers will be author and business guru Tom Peters, a former IHRSA presenter, and first-timer Benjamin Zander, the conductor of the Boston Philharmonic. Peters has written more than 10 books (including the best-sellers *In Search of Excellence*, *A Passion for Excellence*, *Thriving on Chaos*, and *Liberation Management*), speaks at some 75 seminars each year, and has been described, by *Business Week*, as "business' best friend and worst nightmare." Zander, who is also the conductor of the Youth Philharmonic Orchestra and a member of the faculty of the New England Conservatory of Music, uses music as a metaphor to teach organizations - from IBM and Shell, to NASA and the U.S. Army - about the dynamics of transformation and change. He and his wife

are currently completing a book on leadership for the Harvard Business School Press.

Yes, things have changed. Cates, IHRSA's first President, is now a successful publisher. Nieto is no longer the President of a small, single-product company, but as of last month, the Chairman of a multi-product, multinational firm -- one of the largest manufacturers of fitness equipment in the world. His successor, Grodski, isn't an industry insider, but, rather, a veteran of companies such as DuPont and the Crompton Corp.

But, in some reassuring ways, things have remained the same. "Cates is still challenging and championing the industry," notes McCarthy, "and Nieto is still providing it with leadership." And IHRSA's Convention is still attracting some of the industry's best people and ideas ..... and still costs just \$250.

*(Publisher's Note: The \$250 Convention rate is for IHRSA Members only and is available only until September 30th. However, free Trade Show attendance is available for non-IHRSA members by pre-trade show registration at: <http://www.ihrsa.org/meetings>. For IHRSA Membership, Convention and Trade-Show Registration call: (800) 228-4772 or go to: [www.ihrsa.org](http://www.ihrsa.org))*

### ...State of the Industry

continued from page 3

The market will continue to grow. \* "The challenge for now and the future is having enough facilities that are attractive enough, creative enough and

hospitable enough to accommodate the growing number of people who want to make regular exercise a daily part of their lives."

\* The goal of 100 million health club members worldwide by 2010 can and will be attained.

A Message From Augie Nieto, Chairman of Life Fitness - "High Touch". These were the buzz words of the health club industry in the 1980s at a time when "High Tech" was just beginning to capture the imagination of a few and ruffle the feathers of many. It was a time when desktop computers were relatively new and difficult to use - and making vague threats to complicate our lives."

\* The industry knows that people join clubs to connect with others and to get the support they need to achieve their fitness goals. User-friendly technology is now providing topnotch service to members throughout their club experience.

\* Wireless technology will network fitness equipment to document usage. Smarter and more supportive equipment will help members stay with their exercise programs. The equipment will help prescribe work-

outs and aid fitness directors in their efforts to assist members to reach their goals.

\* The ability of fitness to entertain and educate members is broadening the appeal of fitness to all segments of the population.

\* High Touch will continue to be a hallmark of the most successful clubs. And, High Tech will play a greater role in attracting more people to health clubs and to help them stay with their exercise programs.

#### A Wall Street Perspective

Excerpts From A Report Prepared By Paul Roukis of Sidoti & Company

The Scope of the U.S. Health Club Industry	
2000 Health, Racquet and Sportsclub Industry Estimates	
Number of clubs -	15,910*
Number of Health Club Members -	30.6 million*
Number of commercial health club members -	15.3 million
Number of U.S. IHRSA Member Clubs -	3,106
Number of Members in IHRSA Clubs -	7.1 million
Total Industry Revenues -	\$10.6 billion
Total Industry Payroll -	\$4.45 billion
Number of Full-time Employees -	161,400
Number of Part-time Employees -	614,900
* Revised upward since State of the Industry Report publication	

Sidoti & Company is a research boutique serving institutional investors with a focus on small cap stocks.

\* "The health and fitness industry is still a field of opportunity."

\* "We continue to believe that consolidation will only accelerate from here on in. At the same time, we believe that consolidation will begin to level off within three years."

\* "We see some major changes occurring on the competitive front. Most notably, we expect to see the divergence between the high quality and the low quality firms becoming more pronounced in coming years."

Norm Cates' **THE Club Insider** NEWS

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# • NORM'S NOTES •

**Let Us Hear About Your NEWS!**

E Mail - [clubinsidernews@mindspring.com](mailto:clubinsidernews@mindspring.com)

It was great to talk today to my friend, **RAY WILSON**, the Living Legend. Ray is recovering well from back surgery that he had in early July. He suffered for 40 years from a back injury he experienced while he was a professional wrestler. Ray and his lovely wife **SONJA**, have recently moved into a new, 14,000 square-foot, nearly \$6 million home he built in Carlsbad, California. He has a full equipped workout room in his home with over 50 machines, plus he designed his own therapy spa where he stands and does rehabilitation exercises for his back in 103-degree water. Knowing Ray, he will make a million on that invention too! Get well Ray!

I don't know about you, but it is hard for me to believe that the YEAR 2000 is almost over! The Summer is nearly gone and the kids are back in school in most places. Club members should be done with most of their vacations and ready to get back in the club groove. Right now is the time to plan for the Fall Convention and Trade Show schedule and to make plans for what is going to be the biggest and best club convention in the history of the world, **IHRSA's 20th Anniversary International Convention and Trade Show** in San Francisco, March 21-24th. Everybody in the industry should make plans to attend that great event, IHRSA Member or not. Check out the IHRSA Spotlight article on page #4 if you haven't already! For IHRSA Members, don't forget that the 2000 Vanguard Retreat will held at the world class Houstonian Hotel, Club and Spa, September 21-23. For info go to: [www.ihrsa.org/meetings/vanguard.html](http://www.ihrsa.org/meetings/vanguard.html) or contact Donna Garrity at (800) 228-4772. And, remember that the always terrific **Club Industry Conference and Trade Show** is happening in Chicago, October, 25-28th. For info call: (800) 525-9154. And, IHRSA/Athletic Business are hosting in Orlando, Florida, November 29th-December 2nd, **IHRSA's 15th Annual Club Business Conference**. This event will feature the first ever industry-specific Internet Technology Conference! For info call (800) 228-4772.

Speaking of IHRSA, I really enjoyed reading **JOHN McCARTHY'S** Memo in the August issue of CBI Magazine entitled: **IHRSA and The YMCA: Non-U.S. Member Advisory**. That article "Tells It Like It Is" about the issue of YMCAs being tax free as well as anything I've ever read.

With Fall just around the corner, I can just feel the excitement in the air as the University

of Georgia Bulldogs launch their 2000 season on September 2nd. UGA Head Coach **JIM DONNAN** and Receivers Coach, **GREG WILLIAMS**, are my former N. C. State teammates. Jim & Greg are bringing in a UGA team ranked in the top 10 in the pre-season polls. Good luck to Jim, Greg and the DAWGS! Also, best of luck to another N.C. State Teammate of mine, new **HEAD COACH CHUCK AMATO**. Chuck served under Coach **BOBBY BOWDEN** at Florida State for 18 years and left his position as Assistant Head Coach there in January to go to Raleigh, to bring the Wolfpack back! Good luck to Chuck and his first team as a head coach. I predict great things for Jim, Greg and Chuck over the coming years as they are all great guys and are winners all the way! Our 1967 Wolfpack team went 9-2 and beat Georgia in the 1967 Liberty Bowl and Jim was the MVP of that game!

I am happy to report that my friend, **JIM WAGNER**, who suffered a massive heart attack last month while working out at the **Sporting Club At Windy Hill** in Marietta, Ga. has survived. Thanks to the quick action of several Sporting Club staff members, Jim stayed alive and was transported to the Kennestone Hospital where he spent about two weeks in intensive cardiac care before being transferred to the Emory Hospital. At Emory Jim has had an angioplasty procedure and is recovering. Good luck with your recovery Coach Wagner!

It is great to see the updated figures recently released by American Sports Data of Mt. Kisco, N.Y. showing that there are now 30.6 million U.S. health club members. That represents a 4% increase over last year. Also, it was announced that there are now 15,910 commercial health clubs listed in the nation's Yellow Page phone directories, a figure that is up 5.1% from July 1, 1999! And, the beat goes on.

Life Fitness has announced the selection of **ANN WARD, Ph.D.** as the new Chairperson for its **Scientific and Medical Advisory Board (SMAB)**. Ann will replace former Chairman, **JAMES S. SKINNER**. Also, Life Fitness has appointed **STEVE MORGAN**, as the Head Trainer of the Life Fitness Academy, Atlantic Region. On the consumer side, Life Fitness announced in mid-July that in conjunction with its parent company, Brunswick, it was backing the acquisition by **Omni**

**Fitness**, Stamford, Connecticut, of **Exercise Equipment Center (EEC)**, Seattle, Washington. **AUGIE NIETO**, Chairman of Life Fitness commented, "Brunswick's **Marine Division**, which has contributed to its top retailers' expansion efforts, has enjoyed a great deal of success with these types of relationships. Our backing of Omni Fitness' acquisition of EEC is evidence of our firm commitment to the strategic, long-term growth of Life Fitness and its dealers." Also, Life Fitness has completely revamped its website. Check it out at: <http://www.lifefitness.com>

With a gift of \$250,000 to **Americares**, the international disaster relief organization, **Bally Total Fitness** has now provided cash and in-kind contributions of over \$12 million to their "Stronger Communities" program that began in 1997 when **LEE HILLMAN** took the helm. The job that Lee Hillman and the **Bally Total Fitness Executive Management Team** is truly terrific and very remarkable. In 3 years they have changed Bally Total Fitness significantly and are producing terrific financial results as evidenced by the second quarter financial reports from Bally. The strong results included a net income increase of 70% over the same quarter of last year with \$.58 per diluted share. Operating income increased by 50% to \$31.7 million for the quarter. EBITDA increased 40% to \$47.3 million. Bally CEO and President, Lee Hillman commented, "The strategic changes initiated three years ago have succeeded as we predicted and our profit improvement and revenue growth have been dramatic."

And, speaking of profits, get this: **Direct Focus, Inc.**, the company that makes and markets **Bowflex** and **Nautilus**, had a 600% increase in net profits for their 2nd quarter! The second quarter Direct Focus net earnings were \$8,166,000 as opposed to \$1,339,000 during the same quarter last year. For the first six months, Direct Focus reported sales of \$86.6 million and earnings of \$17.1 million compared to sales of \$51.1 million and earnings of \$5.9 million for the same period last year. Incredible.

**WAYNE WESTWOOD**, in the Portland, Oregon area, has, in the last 90 days, added 8 additional facilities to his corporate center management company. Wayne's company now manages 18 corporate centers.

**MARK TASCHER**, the original founding CEO of **Town Sports International**, has started a new company, **Fitness Ventures** that now has 6 clubs with the 7th set to open in early fall. Most of the clubs are in New York state.

Speaking of **MARK SMITH's TSI**, with the addition last month of the **Health Development Corporation** in Boston, TSI now has over 250,000 members! TSI is projecting that they will have 30 locations in the Boston area in a few years.

**STEVEN S. ROMA** has been promoted to the position of Chief Operating Officer for **Work Out World** in Brick, New Jersey. Also, WOW has promoted **TODD BROWN B.Sc.,CCN**, Clinical Nutritionist, to the position of Director of Personal Training. Also, WOW, now in position #50 on Club Industry Magazine's Top 100 club list, has licensed its name and logo to a new fitness facility in Norwood, Ma., owned by new licensee, **One Fitness Group, LLC**.

The **CARD** and **BOHRER** families, owners of the 7

acre, 34,000 square-foot **24 Hour Olympic Club** in Gresham, Oregon, have become a member of the **Gold's Gym International** chain. The family spokesperson commented, "The reciprocal program, as well as the other programs that Gold's runs for its clubs, are the reasons we joined the Gold's family."

**JOAN MARIE WALLACE** has been named by **Jazzercise** as Director of Merchandising for its fitness apparel and accessories division, **Jazzertogs**. Joan Marie's e-mail address is: [jwallace@jazzercise.com](mailto:jwallace@jazzercise.com)

Congratulations to **MICHAEL KELLY, MHS, C-NMT**, corporate fitness director for **LifeBridge Health & Fitness**, Baltimore, MD., as he was recently recognized as **Personal Trainer of the Year** by the **National Strength Professionals Association (NSPA)**.

## FRIDAY REPORTS

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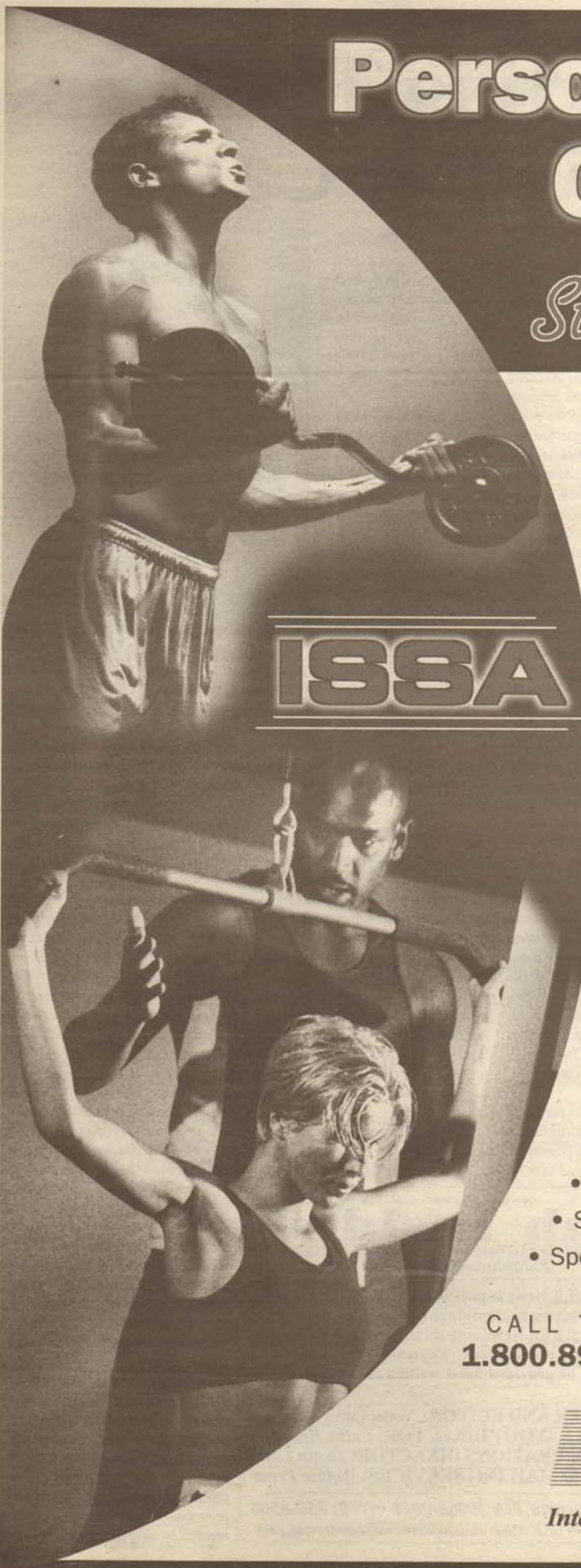
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# Successfully Starting The Sales Process With Guest Cards

By Karen D. Woodard, President  
Premium Performance Training

The Guest Card certainly is one of the basics in a good sales system and while most clubs have one, they don't seem to utilize it for the best benefit. If designed and used correctly, it can be one of the best tools for gracefully building rapport early, gathering needs and motivation information and setting the sales process up for success. The following tips will provide a basis for analysis of your Guest Card (GC). As you read, see how many of the 'do's' you are currently doing, then determine which of the tips you will implement.

**DO** make sure the size of

your GC invites the Guest to complete it. The most user-friendly GCs are 8.25 x 5.5 or smaller. GCs that are larger tend to be perceived as too lengthy and meet with resistance from the Guest.

**DO** avoid a full health history questionnaire on the GC. Most Guests are coming into tour the club and it is unnecessary at this point. It makes the GC longer, more intimidating and therefore less friendly. (Do have the Guest complete a health history questionnaire once they have become a Member.)

**DO** add a liability waiver to the GC as the Guest will be touring the club and you may have them try equipment on the tour.

**DO** train the reception

staff on the importance of presenting the GC to a Guest. Too often, when a Guest approaches the reception desk and inquires about membership information, the reception staff responds to the Guest in a somewhat apologetic tone and asks "OK, sure...would you mind filling this information out?" Then the Guest sighs, rolls their eyes and responds with "Do I have to?" At that point, our reception staff person feels as though they are in a position of disservice and wants to please the Guest so they respond with "Well, no ... let me get a Membership Rep for you and they can answer your questions." Instead, when a Guest inquires about membership information, we want to train the receptionist to respond with "We'd be happy to tell you about membership! I'm gonna have you take a second to complete this information and I'll get Dave to answer all your questions." When our reception staff takes the position of directing the Guest rather than asking the Guest, the Guest is less likely to buck the process, and we are more likely to get complete information.

**DO** train the staff on the purpose of the GC so they can explain it to a questioning Guest. The way we need to explain it so they can explain it is "Yes, it is important that we have a GC and here's why:"

1. security for our current Members — if you are a Member, we have information from you in our database. If you are a Guest, we do not have that information. To protect the security of our Members, we want to know who is in the club at all times and be able to track all Guests in the event of a security issue.

2. courtesy for our Guest — by completing the information on the GC, it expedites the process for our Membership staff and thus for

the Guest.

3. followthrough ability — we want to be able to follow through by sending our Guests information that may be appropriate for them.

**DO** provide a space for both day and evening phone numbers to be written

**DO** make sure you're covering your basics with name, address, occupation, a question about past club experience and interest as well as needs areas.

**DO** provide a space for referral information in the "How did you hear about us section," such as "Which one of our happy Members told you about us?"

This is by far the

biggest bonus area for building rapport early with the Guest. It allows you to say early in the conversation:

"Mary, I see that Susan Crawford referred you to the club — she has been a Member here for years! How do you know Susan?"

or

"Mary, I see that Susan Crawford referred you to the club — tell me what she has told you about us — it must be good or you wouldn't be here!" (Delivered with a sense of humor and animation) This aspect of the GC allows you to develop commonality quickly.

**DO** include (on the backside of the GC) key needs, qualifying and motivational questions for the Membership Rep to ask. The emphasis is on the Membership Rep asking the questions rather than the Guest writing out the answers.

**DO** have a system in place with the following key points:

1. the reception staff directs



**Karen Woodard**

the Guest to complete the GC.

2. the reception staff gets the GC back from the Guest upon completion and warmly directs the Guest to have a seat as the Membership Rep will be out momentarily.

3. the reception staff buzzes the Membership Rep to inform them that \_\_\_\_\_ (use the Guests name) is in the lobby and would like some membership information and to see the club.

4. The Membership rep comes to the desk ASAP, peruses the GC for rapport and needs info before meeting with the seated Guest. Before is emphasized as to not be reading it for the first time when with the Guest. As a Membership Rep, you want to be familiar with the Guest before you introduce yourself.

**DO** have a daily tracking system at the desk for all GCs.

The most important DO is the one we've saved for last and that is, you can implement the previous DOs but they won't make any difference unless we as Membership Reps use them. Avoid the mistake I see too often of Membership Reps getting a GC from a Guest and then not reading or paying any attention to it. The information the Guest gives us is extremely valuable, and we need to utilize it as well as show respect to them for sharing it with us.

(Karen Woodard is an international author, speaker and consultant specializing in sales, service and management training in the health and fitness industry. Karen offers books, tapes, and manuals for staff training as well as on-site training. She can be reached by calling 303.417.0653.)



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Established 1993

The **CLUB INSIDER** News is published in Marietta, Georgia.

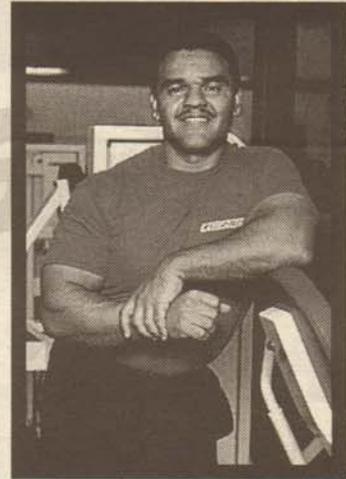
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PUBLISHER AND EDITOR: Norm Cates, Jr.  
COMPUTER LAYOUT DIRECTOR: Cathy Brown  
COMPUTER OPERATIONS DIRECTOR: Justin Cates  
PRINTING AND MAILING SERVICES: Walton Press

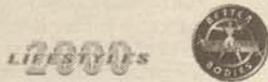
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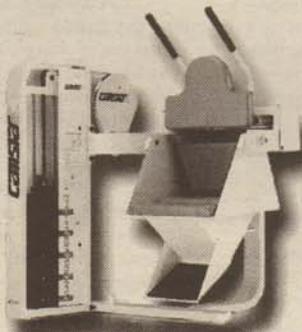


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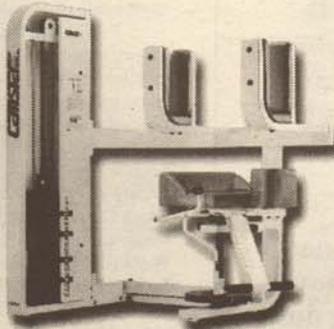


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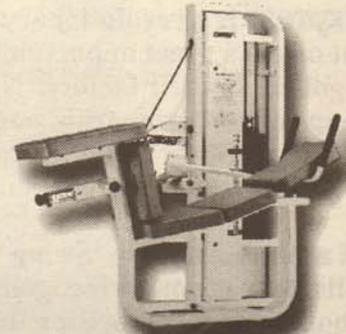
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Group Exercise Anyone Can Do!

## ...Glenn Colarossi

*continued from page 3*

town Stamford, which has since become a New York Sports Club.

AgeFit's next-door neighbor, Westfield Court, was one of its first customers. The upscale residence for seniors began a strength-training regimen in 1993 after hearing about a Tufts University study that touted the benefits of such programs for the elderly. Three years ago, Westfield hired AgeFit to run the strength program.

Three days a week, 50 to 70 Westfield Court residents are grunting, groaning and sweating on their exercise. They range in age from 70 to 98 and four or five of the original participants from seven years ago are still with the program, said Julie Forrester, Executive Director of Westfield Court.

Forrester said one participant who fell and broke a hip was walking with a cane two weeks later, bypassing a recovery process that should have taken months.

"The doctors were amazed by the strength in her legs," Forrester said. "It's a phenomenal program because it keeps people healthy and stimulates their minds. It builds stronger bones and muscles. They have more energy and stamina, quicker minds and a more positive outlook. They're less apt to fall because of their stronger legs."

Forrester said the participants can walk faster, get in and out of bed quicker, lift objects and perform everyday tasks more easily.

"They regain independence and strength," Grant Clark, Director of Marketing for the New Smyrna, Fla.-based American Senior Fitness Association, said of strength-training for the elderly. "Just getting out of bed without the help of an aide is a big morale boost."

The Association believes strength training reduces low back pain by making back muscles stronger, eases arthritic pain, lowers blood pressure and raises bone mineral density and aids digestion, Clark said.

Strength training helps prevent falls because it encourages better balance, said Wendy Winnick, Executive Director of Stony Brook Court. The facility's operator, Needham, Mass.-based CareMatrix Corp., also operates Westfield Court and about 55 other residences for the elderly nationwide.

"At Stony Brook, we have people as old as 100 in the strength program, some of whom never exercised (in an organized format) before," Winnick said. She said the upcoming senior generation might be more attuned to formal exercise. "My parents are 77 and 72 and they work out at the Y every day," Winnick said. "It's a whole untapped market for the fitness industry."

Colin Milner, Chief Operating Officer of the Fresno, Calif.-based Keiser Institute on Aging, agreed the senior fitness market is ripe to be mined. He said 13.9 percent of the 22.5 million fitness club members in the United States are above age 50. The Sporting Goods Manufacturers Association reported that 13 million Americans over age 55 took part in sports and recreation at least 100 times in 1997, up from 10.4 million in 1987, Milner said.

"There is a huge market out there, but it not being addressed by the health club industry," he said.

Milner said elderly tend to shy away from fitness facilities frequented by younger

people. That's because they can't handle the heavier weights younger people can lift and they feel intimidated by their youthful physiques, he said.

He said health clubs can attract more mature members by promoting themselves as intergenerational facilities and by having low-impact exercise machines with 1-pound weight increments. In addition to supplying data and research on elderly health, privately-owned Keiser manufactures low-impact, pneumatic exercise equipment.

Colarossi said facilities for the elderly can attract new residents by emphasizing their fitness amenities, especially if their Baby Boomer children are helping them choose a facility.

He said he became interested in exercise for the elderly, partly because his two children are 3 1/2 years old and 13 months old and raising them while he is in his 40s and 50s will be arduous.

His journey into the elderly side of the business has been circuitous.

He grew up in the Long Island towns of Seaford and Rockville Centre and received a Bachelor's Degree in physical education from Frostburg in Maryland. Colarossi was on the college's gymnastics team "much to my father's dismay. He was a football/baseball kind of guy and couldn't understand why I'd wear tights," he said.

Colarossi said his height, "5 foot 7 on a good day," was a factor in his choice of sports.

"I didn't have much of a lower body, I had small legs."

But while teaching during his senior year, "I realized teaching phys ed was not for me, so my gym coach said, 'Why don't you try corporate fitness?'" Colarossi recalled.

"You needed a Master's Degree for that, so I started selling memberships for a local health club (in Long Island) to help pay for graduate school," he said. "I stayed in the business ever since."

After earning a Master's Degree in exercise physiology at Adelphi University on Long Island, Colarossi studied physical education and sports trends at the University of Physical Culture in Moscow.

He worked for an American fitness company upon returning to the United States. He later managed health and recreational facilities for the Hilton hotel chain in the Middle East.

He moved to Florida in the late 1980s and co-owned Miami's prestigious Downtown Athletic Club. Colarossi also owned a women's-only fitness center that he eventually sold.

While working in Miami, he met Angela Bitzonis, who originally was from Stamford. "She cold-called me. She was in printing sales."

Angela left printing and started working in Glenn's business. They moved to Stamford in 1994 and Angela is now Marketing Director of the Stamford Athletic Club.

"I didn't want to lose my best salesperson, so I married her," he recalled.

*(Peter Healey is a Staff Writer for the Stamford Advocate in Stamford, Connecticut. This article was originally published in the Stamford Advocate, June 11, 2000 edition, and was reprinted courtesy of Peter Healey and the Stamford Advocate)*

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# CREATING POSITIVE EXPERIENCES FOR OUR MEMBERS: THE "HOW" OF THE "WHAT"

By Bonnie Patrick

Think back a couple of years. When planning for our clubs, we would talk about new equipment, better amenities, and expanded programs. To compete in today's market, that's not enough.

Recently I participated in a brainstorming session with Lewis P. Carbone of Experience Engineering, Inc. for a project in development. Our group knew *what* we wanted to do, provide, or accomplish. We just couldn't figure out *how* we were going to do that. And that's the hardest part of development and implementation: engineering the "how" of the "what."

In our clubs, we always have idea generating sessions and networking. Don't you always come out of those meetings with great ideas? And sometimes the ideas come to fruition, other times, they get filed away on top of that dusty cabinet with all of the other future projects.

We know as an industry that it's important to provide a safe, effective environment for exercise. IHRSA Standards dictate a code of ethics for all of our clubs to abide by. How do we do that now in our clubs? How will we do it in the future? And how do we go beyond the Standards, to exceed expectations and create the best possible experience for our members?

## The Disney Way

Take a look at another

successful business first. How many times has each of us been to Disney Land or Disney World? Why? Because we want to wait on long lines in the hot Florida heat for a three-minute amusement ride? No, we go and keep going back because of the whole Disney experience.

You know you'll be delighted. You know you'll have fun. You know you'll see characters that you know and love and can share with your family. You know there will always be something new. You know the staff is professional and caring. And, you know you'll pay a very high price for this experience. The price isn't what matters, the experience is.

## The Experience Economy

The book by B. Joseph Pine II and James H. Gilmore entitled *The Experience Economy* describes this process in detail. The book compares business with theatrics, where "work is theatre and every business a stage". This doesn't mean we hire actors and set designers to work in our clubs. It does mean that when our teams enter through the doors into the club, they are "on stage" and one of the big reasons why our members come to us! Our managers and department heads are the "directors" behind the scenes, planning, studying, and coaching, gauged upon "audience" (member and market) response.

## Gainesville Health and Fitness

Industry veteran Joe Cirulli is President of IHRSA and owner of two clubs in Gainesville, Florida. He had his department heads read "The Experience Economy", then they all sat down and brainstormed on how they could better their clubs. Joe puts it this way, "It's like a manager and his or her team are on this path, and all of a sudden, they come upon this big rock blocking the path. This is where management comes in, to keep things moving. Together we decide how to continue upon our path: how to move the rock, or how to go around it, to continue on our journey."

Cirulli and his team decided their ultimate goal was to create such a great experience in their clubs, that current members stay and future members flock to the clubs. How? Cirulli asked each department, "What do you have to do to help us move the rock?" Together they agree upon outcomes and how this will happen.

For example, they decided for the reception area that it was important 1) to meet and greet the members, 2) to give a warm, positive first and last impression of the club and 3) to provide solutions for member concerns. The reception team decided on how they would do this, and created a very positive experience in Joe's clubs, through their relationships with members and prospects.

## The Fitness Company

Matt Bradbury, Chief Operating Officer of The Fitness Company, with over 60 facilities on the East Coast, talks about creating a safe and accepting environment, exceeding member expectations. "Despite the hard work of many fitness facilities, the public still perceives our industry as exclusive and for a certain group of beautiful people," he states. The Fitness Company touts "regular, real people" in its marketing. And with the FitCare brand's medical affiliation, consumers understand the credibility of hospital programming, focused on improving the health of the community.

In Florida, one of The Fitness Company's premiere managers is Robert Cancel. He says, "I don't think there's a club manager anywhere telling employees to 'go out there and drop the ball'." His clubs' visions are

centered on service. His team members go out of their way to talk with members. The team is supported by Cancel in all ways for their "Whatever it takes" attitude. "Something we like to tell prospective members touring the club is that the worst that can happen if they join is 'they get in shape and make a few friends'", Cancel explains.

## FitLinxx

Andy Greenberg, FitLinxx co-Founder agrees: "People who are not already fitness enthusiasts are often intimidated when they walk into a fitness facility. The combination of personal insecurity surrounding themselves, fitness equipment and the unfamiliar club environment cause many of them to feel out of place and extremely uncomfortable. Whenever I tour a facility, I always ask the question, 'Would my Mom be comfortable coming to this club to exercise?'"

FitLinxx asks club managers to visualize the best relationship that exists between one of their most engaged clients and their best trainer. Personalized attention, a customized program, open communication, proof of results, success and satisfaction, are all components of a positive trainer-client relationship. Imagine if we could provide the same sort of experience to all our members? The answer is easy: the result would be increased retention and referrals, equating to increased revenues. Challenging? Yes, but with the ability to further improve staff efficiency, effectiveness and satisfaction through appropriate technology, club managers are taking on this challenge today.

In his travels around the country, here are some of the consistent elements Greenberg has noted from clubs who pride themselves in having built long-lasting relationships between their trainers and members:

- \* Customize programs for the member, based on their individual needs.
- \* Create realistic short-term goals, that help lead them to long-term success, and celebrate small milestones.
- \* Give immediate and specific feedback as often as possible.
- \* Allow the member to read about others who have been in a similar situation or to meet with those who have common goals.
- \* Create an experience that reaches beyond your facility's four walls, helping your club to be



Bonnie Patrick

the member's healthy living resource "24-7". The Internet has effectively allowed clubs to extend beyond their traditional borders.

## Sage Management and Development Group

Francis Acunzo is President and a Principal of Sage, and an industry specialist in integrating spas into the club member experience. Acunzo says that one of the reasons consumers have begun to demand extended ranges of services at our clubs including spa treatments is because of travel. "Back home, they're inclined to seek out similar experiences - ones that enhance their life and possibly, even lead to a new, more rewarding lifestyle", he adds.

However, while clubs and spas may cater to the same market, culturally they are worlds apart. Most spas provide quiet, formal atmospheres, in an environment conducive to relaxation. This means high individualized levels of service, translating into a more labor-intensive operation. The labor costs are then offset by higher revenues, justifying the services from a financial standpoint. Integrating spa services also offers a new, whole-body holistic amenity to our members who are looking for a way to relax, invigorate, and/or recharge.

The Sports Club's Sports Club/LA facilities have spa treatment rooms adjacent to locker rooms that serve as a decompression area, where you go from the hectic world of the club atmosphere to a quiet, relaxing environment designed therapeutically.

## Two Clues

Lewis Carbone of ExperienceEngineers says there are two important clues in each experience (See Bonnie Patrick page 22)

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# The CLUB INSIDER'S DOT.COM World

## More Website Marketing For Club Operators

By Michael Scott Scudder

As a follow-up to our earlier article ("A Primer on the Internet and Web Site Marketing for Clubs" - June 2000 issue), let's go into a little more detail on web marketing for health clubs.

First off:

•Consider the fact that nearly 130,000,000 people in the United States have email addresses! That's one out of every two citizens!

•Next, in your target market (in most areas, within 15 minute drive time of your club), over 40% of the residents use email!

•Over 50% of most clubs' members have email.

•A recent survey shows that the 50+ generation spends over 8 hours a week on the Internet! (This is a prime "target market for clubs. These people have disposable income, are time-challenged and want effectiveness in their

exercise regimens. You can market to them over the Internet.)

### What can you provide prospective members on your web site?

The "soft tour." (According to several industry consultants, the "deconditioned" older market segment is fearful of a "slam-dunk" approach to membership sales if they actually go into a club. Consequently, they tend not to visit clubs, EVEN THOUGH they say they'd like to! You can provide them with easy-access information about your club, services, programs, even pricing - while they sit in the "safety" of their own home or office, "touring" your facility in a user-friendly - and less confrontive - way.

•You can provide specific programs for special populations (weight-challenged, time-challenged, stressed-out, busy executives, seniors, etc.) - and have all of that informa-

tion available on your web site for just the click of a few buttons and a couple of minutes of reading.

•You can even have a "registration area" where people can enroll in non-member or trial programs, paying for it on your web site's e-store!

•You can build schedules of classes, programs, activities, social events, and post them on your web site for simple access at any time.

•Produce club newsletters which can be retrieved as "downloads" from your web site - an automatic, low-cost publicity and advertising vehicle!

### How do you start a web site? Four easy suggestions:

If you use America Online, go to "Home Page" of "Web Page" and follow the instructions! It's free (if you're an AOL subscriber), and the kit for developing the pages

is no harder to use than a word processor.

•Go to Netscape's Virtual Office site and click on "New Web Site" - follow the instructions and have your

multi-page web site set up in a day! (You will have to pay for web site hosting - generally \$20 a month or less - but you also get free email with it!)

•Go to other services like [www.golinq.com](http://www.golinq.com) or [www.freesite.com](http://www.freesite.com) and follow the instructions for a free web site! You will generally have to pay a monthly hosting fee that is about the equivalent of unlimited email use fees (\$20 or less).

In future articles, we will discuss web marketing to members, web-interactive solutions to member retention, scheduling on the Internet and web-based member incentive programs. In the meantime, if you consider that less than 33% of the popula-



Michael Scott Scudder

tion actually reads newspaper advertising (health clubs' traditional form of marketing), that only about 40% will read a mailed flyer, circular or promotional piece, that about 60% will read a fax message, but that nearly

80% will open an email - and that the average "browser" will spend over 6 minutes on a web site - the answer to modern marketing should be simple!! Get on the web and get cracking!

(Sources used for statistics: *Guerrilla Marketing Newsletter*, *Trend Letter*, *AltaVista search*, *IHRSA's State of the Industry Report 1999*, *Gilder Technology Report*, *Michael Scott Scudder independent research.*)

(Michael Scott Scudder, noted fitness industry consultant and motivational speaker, was one of the first club operators to use computers, and has (See Scudder page 25)



## CLUB EXCELLENCE PROGRAM



SERVICE IS JOB ONE!

Whether we call them customers, clients, guests, patients, patrons, passengers, employees, bosses—or MEMBERS, all of us must satisfy the needs or create "moments of magic" for someone in our day-to-day work.

Creating these "moments of magic" involves introducing everyone to a new approach—to take a look at the club "through your member's eyes." It also involves reviewing the basic concepts of member service; and ingraining in them the idea that the function of each employee is to acquire and maintain members; to make member service a "way of life" for everyone in the club!

To sign up now for the SERVICE IS JOB ONE! course in the **Club Excellence PROGRAM**...visit our website at: [www.mentor.com/mentor/club](http://www.mentor.com/mentor/club) TODAY or call...

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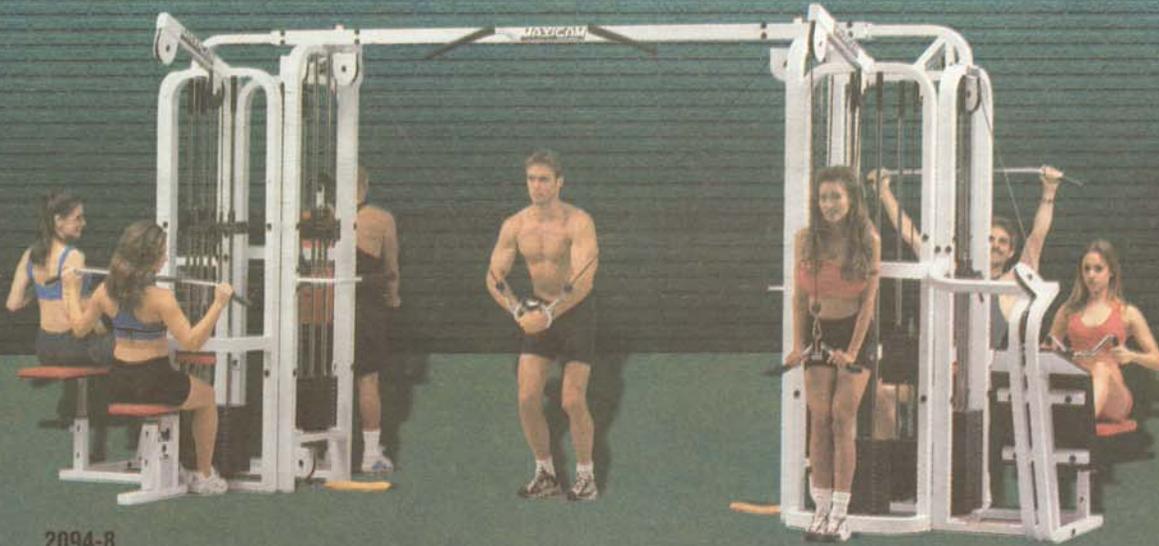
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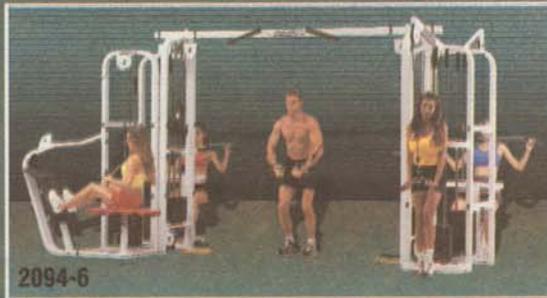


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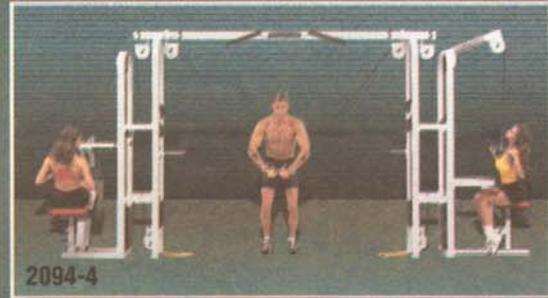
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# MAKE IT FUN!!!

By Sandy Coffman

**"Happy Birthday To You!"**  
**"Happy Birthday To You!"**  
**"Happy Birthday To \_your name\_!"**  
**"Happy Birthday To You!"**

Did you enjoy that? I'm sure you did. Everyone likes birthdays - their very own special day. What a marketing tool, a programming tool, the easiest of all service tools!

This is such a natural, and yet we treat it as "ho hum." How can we begin immediately by MAKING BIRTHDAYS MORE FUN?

## THE COMPUTER CHECK IN - Ho-Hum or Exciting, Energetic, Enthusiastic

The majority of clubs nowadays have the check-in software that immediately pops up on the screen and smacks your reception engineer right in the face with the fact that the customer standing there is having a birthday today.

What do you do?

"Oh, I see it's your birthday today. Happy Birthday."

Perhaps your computer plays the birthday tune in addition to the message...just in case the reception engineer doesn't pay attention to the message and say the words.

The computer message is a wonderful tool, but many clubs admit they don't really use it. If they do use it:

- They use it sporadically
- Not everyone uses it
- They use it in a

"ho-hum" manner.

If any of these examples describes your front desk, you are breaking the first and second rule of MAKING IT FUN:

- Make it visible, memorable, and exaggerated
- Do it consistently to make it part of the culture of your club

In case you haven't dwelled on this issue or made it an important brain storming session in your last staff meeting, take a step back, take the easy route, and look to see what other businesses do. Restaurants, for example, from family diners to nightclub eateries

to gourmet establishments, know that by making the customers feel special and important not only brings them back but brings them back with friends. In fact it has worked so well here in America that restaurants all over the world have now capitalized on the customers' birthday in a visible, memorable, exaggerated, consistent manner.

You have all experienced it. Several (not just one) waiters and waitresses put on a special hat, gather together with enthusiastic smiles, appear with an energetic gait, and carry out a birthday cake with lit candles as they parade out to the birthday customer singing "Happy Birthday."

And just think...they have to rely on someone else informing them of the opportunity of doing this. Their computers don't pop up with that information on every customer that walks in. But they surely know how important it is to their business.

Just like us, 80% of restaurants' new business comes from word of mouth and referrals. People talk to other people about the personal experiences they have had. They refer people to businesses that

make them feel special and important.

I think it would be great to be ready with a packaged cupcake or such (they have about a 3 year shelf life I think), put a candle in it, gather up a couple other staff members at the front desk, put on your club's "Happy Birthday Hats" and sing - really sing - "Happy Birthday" to the member at the front desk.

"Happy Birthday" ribbons can be bought very inexpensively at any party store. How fun would it be to place a "Happy Birthday" ribbon on the member as they go to the locker room, gym, or group exercise class.

The front desk could send the message - and the cupcake - to the group exercise leader and he or she could have the whole class sing "Happy Birthday" to the member. Do you think this would set the scene to for a very happy class hour? Do you think it would help MAKE IT FUN for everyone?

A P.A. announcement



**Sandy Coffman**

wouldn't be bad either. "We, at the Five Star Fitness Club, would like to wish Sandy Coffman a Happy Birthday today." (I'd love it!)

This would be a wonderful opportunity to gather up your fitness trainers, have them put the club's "Happy Birthday" hats on, and have them present the lit up cupcake as they sing "Happy Birthday" to the member. Wow. The fitness trainers might actually come across as down to earth, fun. (See Sandy Coffman page 25)

## "It Has Come To The Point Where Buying Brand New Fitness Equipment Is A Waste Of Money!"

### Buying Professional Fitness Equipment Is A BUSINESS EXPENSE!

That's why YOU need solutions to help you cut costs without sacrificing durability or name brand. You know lowering the cost of doing business directly improves bottom-line profits.

Worldwide Fitness, Inc. has a way for you to improve profits by reducing your operating costs. Without your members having any idea that you didn't buy brand new equipment and spend twice as much money as you did!

Worldwide Fitness offers fitness center products that have already depreciated in value. We provide you a consistent supply of Bank Repossessed, Refurbished, Brand New, and Factory Blemished gym fitness equipment.

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If you buy your cardio equipment from Worldwide Fitness and save \$30,000. And you add this new found capital to your advertising and marketing budget, you will see exponential growth in cash flow and profits. This \$30,000 savings can bring in 200 extra members. If you get \$350 for each new member in the first year, that's \$70,000 added to your gross sales. That's extra income over and above what you're already doing.

Could your business use an extra \$70,000?

### We Invest Over \$250,000 Every Month To Assure You Save Money.

The whole operation is a huge undertaking. With over 25 employees and a monthly payroll around \$50,000. More than \$30,000 in building leases. Over \$20,000 a month is spent on replacement parts to refurbish the equipment. The cost to buy this depreciated equipment is over \$150,000. The point is we have made the necessary investments to insure a consistent and reliable product for you.

We've put ourselves in a position that forces us to perform for you or we don't make a profit. I'm not trying to impress you but I want you to see our commitment. We must satisfy you so you will buy from us on your next fitness room, project and refer more customers to us. We can't service our huge overhead without repeat business.

### Guaranteed To Look Like New, Work Like New, And Make Everybody Think You Paid Full Price.

When our client's come see our National headquarters in Orange, California, they're amazed. They enter our gigantic warehouse with over 1,000 machines on racks 3 stories high. It looks like 50 health clubs went out of business and we bought all their inventory. When we tour them through our state-of-the-art remanufacturing facility, they say they've never seen anything like it. When they see our finished product they think it's brand new, and after we convince them that it is not, they say they will never buy brand new fitness equipment again.



We warranty this equipment, give you a National ser technician network, and give you 24 hour technical information on our award winning website. You see, the only equipment we sell is the top brands: LifeFitness, Cybex, Stairmaster, Trotter, Precor, Star Track, Paramount, Teetric, Quinten and others. These manufacturers have built a national service network that we have access to when our customers need service. It's as easy for us to repair a treadmill in New York as it is in California. We take care of your business.

### We Have Over 1,300 Customers That You Can Speak With To Give You Buying Confidence

In today's business climate you have to protect yourself from mis-information. You can't take advertising statements as fact. We understand this, and make accessible to

you our past customers so you can make your own judgments, we don't want you to make a mistake. We want to make sure this is the right buy for your business.

*"Worldwide Fitness Saved Me Over \$150,000 And My Maintenance Staff Still Thinks The Equipment Was Brand New, I Don't Feel I Sacrificed Anything. I WILL Do All My Future Purchases With Worldwide."* (Mike Boccia is the CEO of 5 YMCA's)

*"I Bought My Equipment From Worldwide For my second Club. I Saved Over \$25,000 And Used These Savings To Increase My Advertising Budget. This Extra Advertising Money Allowed me To Hit My One Year Sales Goals In My First 90 Days."* Stephen Priest, MS, Fitness Health Club.

### We Make The Buying Process Simple, So You Can Spend More Time Running Your Business

Your time is valuable so we make the process easy. It starts with a phone call from you, to one of our customer assistants. You are asked some questions to provide us with needed information. Next, a complete packet of information is expressed out to you. This packet contains: A video tour of our facility, a customized video of the machines you need. A proposal with all your options, prices and freight charges, room layout if needed, samples of rubber flooring and other samples.

When you receive your packet you'll get a follow up call from your customer assistant to answer any questions. When all your questions are answered and your proposal looks better than any of your other options, you can get the deal started by faxing us a copy of your 50% deposit. Technology has provided a time saving payment solution called "Checks-By-Fax". Of course you can mail your deposit if you want. This way your order starts immediately.

### You Can't Afford To Pass This Up Without At Least Getting A FREE Packet And Proposal.

The pressure to grow in today's business climate is high. Grow or die is the rule of the future. You have to look at all your options and do what gives you a competitive advantage. Your customers think the best fitness equipment is what you provide them. They like the equipment your staff trans them on. A treadmill made 2 years ago is no different than the one made yesterday. The only difference is how much money it cost YOU. How much of your operating capital had to be used to acquire the new equipment? Anybody can spend too much money. The most successful and wealthy business people are the most spend thrifty.

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Sincerely  
 Steve Paterson  
 Worldwide Fitness, Inc.

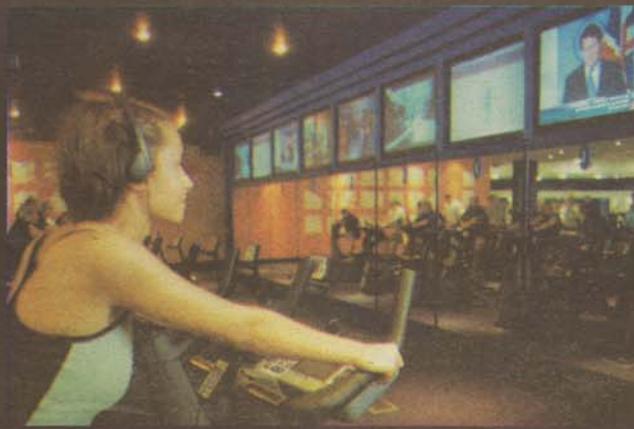
P.S. It's hard to grow a business and waste money at the same time.

## I wish

to inspire my members. To give them every opportunity to get exactly what they want from exercise. I will do everything in my power to prove that exercise is not boring. Exercise at my club will entertain. I will capture my members' imaginations with sights and sounds. I will provide members with the best my industry has to give.

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# IHRSA's Capitol Report

*Capitol Report Reprinted Courtesy Of IHRSA*

## 1999 YMCA REVENUE REACHED \$3.5 BILLION

A July 25 YMCA of the USA press release confirms that the organization's annual revenue has hit the \$3.5 billion mark. According to the release, "Total revenue for all YMCAs climbed to \$3.5 billion in 1999, from \$3.1 billion — an increase of 12.7%." [In 1998, Y revenues rose at a slightly higher rate of 13.3%.]

Last year, 110 communities created new YMCAs, bringing the total to 2,372. [This increase is almost double that of 1998, when only 56 were built.]

Membership growth has slowed slightly. "Membership at local YMCAs grew by 658,271 (or 3.8%) last year to a total of 17,549,364," according to the release. [In 1998, membership grew

by 5.5%.]

Of the \$682 million that the YMCA received in contributions in 1999, \$94 million was from the United Way. This is a slight increase over the previous year.

The July 12 Capitol Report included a letter that IHRSA recently sent to 250 United Way executives, asking them not to support YMCA health clubs. Contact Kristen Adams to find out which United Ways in your area received this letter.

## NEW RHODE ISLAND LAW CLARIFIES RATE-POSTING RULE

A new Rhode Island law requires that health clubs post — within 20 feet of the main entrance — all rates including initiation fee, membership dues, and renewal rates. The law is effective immediately.

House Bill 7443, which

was introduced in February, was amended several times during the legislative process. Earlier versions would have increased the health club registration fee from \$100 to \$500, and would have expanded consumers' cancellation rights, including requiring an increase in the cooling-off period to 20 days. [Rhode Island's 10-day cooling off period is already the second longest in the nation, behind the District of Columbia's 15 days.]

Thanks to the many Rhode Island IHRSA members who contacted the bill's sponsors to express their concerns, the final version of the bill only clarifies the rate-posting requirement that already existed.

Visit the Government Relations section of [www.ihrsa.org](http://www.ihrsa.org) to read the Rhode Island law, for any state's health club consumer protection statute, or for an update on legislative activity in any state.

## THE PEOPLE BEHIND CAPITOL REPORT

IHRSA Government Relations & Public Relations have merged to form the Public Policy Department.

Helen Durkin ([had@ihrs.org](mailto:had@ihrs.org)) brings 12 years of experience at IHRSA to her role as Director of Public Policy. Bill Howland ([bch@ihrs.org](mailto:bch@ihrs.org)), an 8-year veteran, is IHRSA's Director of Public Relations & Research. Kristen Adams ([kma@ihrs.org](mailto:kma@ihrs.org)), now in her 5th year with IHRSA, serves as Public Policy Manager.

This week, Kevin Buckley ([kb@ihrs.org](mailto:kb@ihrs.org)) came aboard as IHRSA's Government Relations Manager. For the past two years, he was a policy advisor to Massachusetts Senate Minority Leader Brian Lees. Kevin will be getting to know many of you in the months to come.

After 10 years in gov-

ernment relations, Jay Ablondi ([jma@ihrs.org](mailto:jma@ihrs.org)) has switched gears and is now IHRSA's Director of Publishing. He will oversee CBI, among other publications, and will ensure that the magazine continues to address important public policy issues, including tax-exempt competition in our industry.

## ILLINOIS HOSPITAL LAW INCLUDES FAIR COMPETITION CLAUSE

When first introduced, Illinois Senate Bill 807 seemed to be irrelevant to the fitness industry. However, upon closer examination, a provision was found that could have given hospitals an unlimited free hand in building tax-exempt fitness centers.

The bill as originally crafted would have allowed hospitals to spend any amount of money on "non-clinical service" (See *Capitol Report* page 25)

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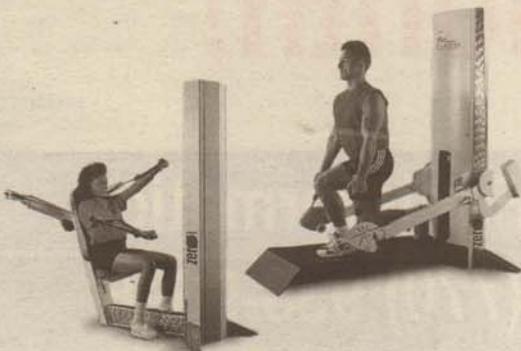
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# Building An Empowered Workforce

By Rick Barrera

Every company I talk to says they want to deliver exceptional customer service. That is until it becomes uncomfortable, complex or too expensive. It's easy to deliver great service when the customer is happy and everything goes right. The challenge is that most of the time, our days do not look this perfect. True customer-driven companies deliver exceptional customer service all of the time even when it may not feel good. If you want to truly be a customer driven company, you must be able to deliver exceptional customer service 100% of the time, and the only way you'll be able to accomplish that is to build an empowered workforce.

Companies find it most difficult to deliver exceptional customer service when customers are angry or when they are being demanding and difficult. The way a company chooses to handle a challenging situation separates the exceptional businesses from the mediocre businesses. Did you know that 95% of unhappy customers will continue to be your customer if you resolve their problem immediately? It's amazing how many customers are lost despite this fact. Immediately means right now, right this second. It does not mean after a manager or supervisor has gotten involved. It does not mean tomorrow or the next day. It does not mean after the problem has been escalated to the top. It means RIGHT NOW! The only way to solve the customer's problem right now is by empowering the front line. If you're not willing to allow your front line to make the necessary types of decisions, you will need to put your managers and supervisors in your customer contact positions, or have a hefty marketing budget to replace all of the customers that you will lose over time.

Obviously the better solution is to empower the front line so let's discuss what that means exactly. Many companies believe that empowerment means allowing employees to make certain types of decisions in well-defined areas. For example, when a customer is upset because the work-out outfit they bought from you is damaged, you can give them a replacement plus a free pair of

socks. What's wrong with this theory? First, it never teaches the employee how to make complex decisions. Second, no two situations are ever alike. You can't possibly come up with solutions for every possible rendition of a problem that a customer might have. And, because you haven't taught the employees how to work through a decision-making process, they don't know what to do if the situation doesn't match the textbook case that they were taught. Third and most importantly, you don't know what it's going to take to satisfy a particular customer. By prescribing solutions ahead of time, you are taking a big chance with the future of your customers. The appropriate solution is something that can only be decided in the moment, while assessing the situation and the customer. This method also assumes that all customers are created equal, which we all know is not true. We are certainly willing to do more for our most profitable customers than we are for those who are not as profitable.

Empowerment is teaching your employees to make their own decisions in difficult situations, based on an understanding of the lifetime value of the customer, the company's objectives and the company's values. In other words, it's teaching them to look at the business as if they were an owner and deciding what is best for the company in the long term.

One of the best exercises you can do with your employees is to calculate the lifetime value of a customer. This will only be an estimated value, but it will be a good guideline to help you and your employees make decisions. To calculate the lifetime value of a customer, simply multiply the average number of years that a customer typically does business with you by the average total profit per year. You can do this customer by customer, but a great place to start is to just come up with an overall lifetime value number for all of your customers. For example, if a customer is usually a customer of yours for 10 years, and their average total profit per year is X, (I left this blank so that you could fill in the appropriate amount) then the lifetime value of a customer (LVC) is Y. This puts everything into perspective. If the LVC is Y, how much can you afford to spend to keep him as a customer?

The next calculation you

will want to run is the cost to acquire a new customer cost (NCC). This is calculated by dividing your total sales and marketing expenditures for one year by the total number of new customers you acquire in a year. If you know how much it costs to get a new customer, it makes it much easier to decide how much you can spend to keep your current customer happy.

It is amazing how much easier empowerment becomes once everyone in a company understands these two figures. It makes the decision making process much less complex. This is just the first step in creating an empowered workforce. We'll talk later about some other requirements for building an empowered work force.

Empowerment needs to become your mantra. You need to talk about it daily, both with your managers and with your front line. You need to constantly find examples of people making empowered decisions and hold them up as examples for the rest of the company to see. This is important, even if you don't necessarily agree with the way that an employee handled a particular situation. Your employees will be testing you every chance they get to see if you really mean what you say about empowerment. If you constantly second-guess their actions, they will stop taking the initiative. First worry about them taking care of the customer, then begin to teach them to use the decision-making process that you would use in similar situations.

## Empower your managers and supervisors

If you want your managers and supervisors to empower their people, they will first need to feel empowered by you. Again, it starts at the top. Once you have relinquished some of the power and control to your managers, they will more than likely have to do the same because they will be too busy working on higher leverage activities to be dealing with line level situations. But, you may still find that your managers and supervisors are blocking your empowerment intentions. Remember, they have worked very hard to get to this level and chances are they enjoy the status and power

that come with their job. Now you are asking them to give up some of that control and for many that is extremely difficult. You need to begin evaluating the successfulness of your management team by their team's productivity and effectiveness. Again, recognize and reward those managers who are best at empowering their people. That message will be heard loud and clear to all of your other managers and supervisors.

Also, look at the measurement systems that you are using to evaluate your managers and supervisors. If they are being measured on short term P&L results, that will most definitely get in the way of your empowerment intentions, since many empowered decisions will mean spending money in the short run.

## Change your accounting systems

Traditional accounting systems don't measure the lifetime value of a customer or the cost to acquire new customers. You should also set up a customer service budget so that people feel comfortable taking actions to save an unhappy customer without worrying about how it will impact the budget. It is always fascinating to me that we have huge sales and marketing budgets aimed at acquiring new customers, but rarely do I see customer service budgets set up to keep current customers happy. By having a customer service budget, you will quickly be alerted to any major problems going on in your company. This is a great way to stay on top of the issues that are impacting your service levels.

## Take advantage of every learning opportunity!

Most of the time when an employee brings a problem or challenge to a manager's attention, the manager will handle the situation himself. This creates two problems. First, over time, we teach customers that if they really want action to be taken, they need to take their problem to the top. Second, we never teach our employees to become better problem solvers or to make the types of decisions that managers and supervisors feel



Rick Barrera

comfortable making. The next time an employee brings a problem to your attention, ask them what they would do if they were you. Whatever they say, tell them to do it. Then, when they are finished, ask them to come tell you what happened. Both of you will then have an opportunity to learn from the situation.

## Teach your employees to think "on their feet"

You may not have a lot of time for formal classroom training but there is always time for spontaneous role-playing. Keep track of the situations that arise during the week that are good "case study" examples. When you come upon an employee, ask them to role-play the situation with you. When you are finished, discuss what you both learned from the experience and how they can use the ideas on the job.

Take a good look at your policies and procedures and be prepared to make exceptions.

Customers hate being told that they can't have something or can't do something a certain way because it's against policy or because it's "not how we do things around here." Policies and procedures are to be used as guidelines only. They were never meant to get in the way of delivering exceptional service. To find out how this might be impacting your company, ask your employees and managers to tell you all of the situations in which you are telling a customer "no". Then, as a group, discuss when and how exceptions should be made. Any time you overhear an employee putting a policy or procedure before the needs of the customer, correct the behavior.

(See Rick Barrera page 22)

# EXERCISE RESEARCH BRIEFS

By Ted Lambrinides

Strength training can improve steadiness in persons with essential tremor.

With the U.S. population growing older, the number of individuals with essential tremor will only increase. Researchers at the University of Iowa evaluated the effect of a strength training program on the ability of persons with essential tremor to exert steady forces with the index finger. One group trained with heavy loads, one with light loads, and one did not perform any training. The subjects who performed the training program with heavy loads experienced an increase in steadiness. Subjects in the other two groups did not exhibit any changes. These findings suggest that strength training can decrease the magnitude of tremor.

## Intermittent vs. Continuous Training

Researchers at the University of Kansas compared the effects of 18 months of continuous vs. intermittent exercise on aerobic capacity, body weight and composition, and metabolic fitness in previously sedentary, moderately obese females. The researchers concluded that in previously sedentary, moderately obese females, continuous or intermittent exercise performed long-term may be effective for preventing weight gain and for improving some measures of metabolic fitness.

## Hey Kids - Turn Off The TV and Get In The Gym!

Researchers in Australia

investigated the effect of physical activity on the association between television viewing and overweight (body mass index (BMI) greater than or equal to 25 kg.m (2)). BMI and physical activity patterns were both associated with hours of television watched. Compared to those participants who reported watching less than one hour of television per day, those watching 1 to 2.5 hours were 93% more likely to be overweight, those watching 2.5 to 4 hours were 183% more likely to be overweight, those watching more than 4 hours per day were four times more likely to be overweight. With approximately half the Australian adult population overweight or obese, these findings indicate that public health strategies to reduce overweight and prevent weight gain may need to focus on reducing sedentary behaviors such as television viewing in addition to increasing physical activity.

## Strength Training and Heart Structure In Men Over 60

Resistance training has gained popularity as an effective form of exercise for older adults. However, the effects of resistance training on left ventricular morphology and systolic function in older persons is not well known. The purpose of this study was to assess the effects of 16 weeks of resistance training on left ventricular morphology and systolic function in healthy older men. The subjects trained 3 times per week for 16 weeks at a mean intensity between 60% and 80% of 1 repetition maximum. The

sixteen weeks of resistance training significantly increased maximal leg press and bench press strength. Resistance training was not associated with changes in left ventricular cavity size, wall thickness, mass, or systolic function. Thus, 16 weeks of resistance training was sufficient to increase leg press and bench press maximal strength but did not alter the size or systolic function of the left ventricle.

## Strength Training and Scoliosis

Dr. Vert Mooney and associates studied 12 adolescent patients with scoliosis who were 11 to 16 years old and had curvatures ranging from 20 degrees to 60 degrees. When tested on the MedX Torso Rotation machine, both sides were unequal in their torso rotation strength in all patients. Myoelectric activity was asymmetric in both sides and in abdominal and paraspinal muscles of all patients. These asymmetries were corrected completely with MedX torso rotation training, which was associated with significant strength gains. Thirty percent of the subjects had decreases in their curvatures from 20 to 28 degrees. This preliminary study shows the MedX torso rotation exercise shows great promise for helping individuals with scoliosis.

## Dumbbells and Metabolism

Researchers in Tokyo examined the effects of dumbbell exercise with and without low calorie diet therapy on the resting metabolic

rate, diet induced thermogenesis, and body composition in 12 mildly obese women aged 19-20 years. The subjects were randomly assigned to one of two groups: dumbbell exercise with low calorie diet therapy and dumbbell exercise only. During the 12-week experimental period, body weight and body fat decreased significantly in both groups without reducing the fat free mass. The decreases in body weight and body fat were significantly larger in the low calorie diet therapy group than in the dumbbell only group. Both groups combined resulted in an increase in resting metabolic rate and diet induced thermogenesis, with differences being greater in the dumbbell only group. The results suggest that dumbbell exercise decreases body weight and body fat without reducing the fat free mass in relation to increasing resting metabolic rate and diet induced thermogenesis. While low calorie diet therapy strengthens the effect of dumbbell exercise on body weight and body fat it also appears to weaken the effects on resting metabolic rate and diet induced thermogenesis.

## Strength Training Afterburn

Researchers at Colorado State University examined the effect of



Ted Lambrinides

an intense bout of resistive exercise on postexercise oxygen consumption, resting metabolic rate, and resting fat oxidation in young. On the morning of Day 1, resting metabolic rate (RMR) was measured by indirect calorimetry. Preexercise resting oxygen consumption was measured followed by 100 min of resistive exercise. Postexercise oxygen consumption was then measured for a 3-hr recovery period. On the following morning (Day 2), RMR was once again measured in a fasted state at 07:00. Postexercise oxygen consumption remained elevated during the entire 3-hr postexercise recovery period compared to the pre-exercise baseline. Resting metabolic rate was increased by 4.2% ( $p < .05$ ) from Day 1 (morning prior to exercise: 1,419 +/- 58 kcal/24 hr) compared to Day 2 (16 hr following exercise: 1,479 +/- 65 kcal/24 hr). Resting fat oxidation as determined by the respiratory exchange ratio was also significantly elevated on Day 2 compared to Day 1. These results indicate that among young women, acute strenuous resistance exercise of the nature used in this study is capable of producing modest but prolonged elevations of postexercise metabolic rate and possibly fat oxidation.

(Ted Lambrinides is the Director of Education for the MedX Corporation (800) 876-6339.)

## Bonnie Patrick

continued from page 12

ence: **Human Clues**, where people create an experience, and **Physical Clues**, where the environment creates an experience.

Think of your club and the experiences you create. What are the high points? How do we get to them, and how do we maintain them?

## Listen to Dad

Recently, I lost my father to a very short bout with Leukemia. During his time in the hospital, he created one of the most memorable experiences of my life. He kept a very positive attitude up to his last breath. Whenever we asked how he was doing, he always responded, "Fine, I'm just fine. Everything is going to be OK". We couldn't tell if he was reassuring us or himself. We had some wonderful conversations in his last days. I'll always remember two things he said: There is always hope. Never give up hope. And, we are only given so many breaths here on earth, so many heartbeats. How are you spending yours? What type

of experiences are you creating for yourself and for others?

The loss of my Dad was one of those life-altering moments. Now I use my breaths and heartbeats more wisely, focused on creating and experiencing the most positive environments for myself and others. What are you doing with yours?

The second part of this series in Creating Positive Experiences for Our members will focus on Creating Positive Experiences for Our Staffs.

Thanks to Joe Cirulli of Gainesville Health and Fitness Centers, Matt Bradbury and Robert Cancell of The Fitness Company, Andy Greenberg, John Colbert, John Cardone of FitLinxx, Fran Acunzo of Sage Development, and Dad for their contributions to this article.

(Bonnie Patrick is a Project Manager for The Fitness Company specializing in Organizational Development and Performance Improvement. A recipient of the Club Industry/Life Fitness Distinguished Business Woman's Award for Industry Enhancement, Bonnie welcomes your feedback and can be reached at (732) 548-0970 x111.)

## ...Rick Barrera

continued from page 21

This will be difficult at times because it will mean taking a short-term loss for a long-term gain, but it will send the message loud and clear to your people.

## Hire the right people

There are many people who don't want to take the responsibility and risk that comes with being empowered. Those people may not be the right people for your business if you are serious about making this transformation. Use the interviewing process to determine if the applicant is going to fit into your empowered culture. Ask the applicant to work through some different scenarios with you. If they are the type of person who says they would get a manager or supervisor involved whenever there is a problem, they may not

be the right match for the job.

Creating an empowered workforce is a learning process. It won't happen overnight, and you won't be able to prepare your people for every situation they may encounter because there will always be an infinite number of different scenarios. The most successful companies have learned that the key to empowerment is to teach their people: 1) to be aware of how they make decisions, 2) to take the lifetime value of a customer into consideration and 3) to know when an exception needs to be made to keep a customer happy. If you want your employees to treat your company like it is their company, they will have to learn to think like owners and managers of the business, and it's up to you to create that learning environment. How do you make certain decisions? How do your managers and su-

pervisors make certain decisions? The same criteria that you use can be taught to your front line employees. You will be amazed at what this will do for your customer service levels!

(Rick Barrera is nationally recognized for his ability to create and deliver programs that get results. A professional speaker, trainer and consultant, he is also the author of *Non-Manipulative Selling, Collaborative Selling, The Dollars and Sense of Exceptional Service Delivery, and due out this year, Fast Forward*. His most popular topics include: *Rethinking Customer Service, Fast Forward: Embracing the Challenges of the Future, Warp Speed: Winning and Losing at the Speed of Light and Collaborative Selling: It starts at the top!* For more information call: (800) 835-4458 or e-mail: [marketing@barrera.com](mailto:marketing@barrera.com))



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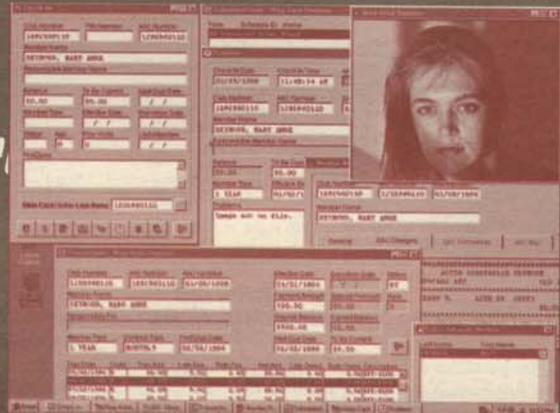
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# UNLEASHING THE FULL POTENTIAL OF YOUR FITNESS CENTER

By Jimmy Mack

**R**ight now you may be poised on the threshold of using technology to add teeth to your marketing or to save valuable time for yourself. Perhaps you have some other ideas in mind for how high tech can translate into high profits. But before you dive into the pool, you want to make sure it's filled with water. So where do you dip your toes? Do you look first to your needs? To the capabilities of technology? To your budget? Right, right, and right. You're asking the right questions, thinking the right thoughts. I know that high tech means high anxiety to many people, but I also know that their stress is based upon complicated older technology and not upon the simple technology of today. It's this high anxiety that keeps many club owners away from just what they need most. A survey of small business owners in 1997 revealed that nearly 20 percent of them feel that lack of knowledge kept them from buying more technology, yet 40 percent said that technology is critical to their business success. If you're planning to use technology to send your profits soaring, there's a ten-step plan to follow. Before you even begin to institute this plan, recognize that you will succeed with technology, as with marketing, if you decide up front that you're going to commit to it, stick with it, and make it work for you no matter what. Then it's time to activate the plan. Once you do, you will wonder why you waited. It's not a good idea to use technology just because you think you should. Instead, use it to accomplish specific goals.

## The Cost Of Technology

**W**hen you purchase a car or a new piece of furniture, it's an expense, and it's probably going to be worth your money. When you purchase technology for your business, it is an expense, also. But it's even more of an investment, because it will be able to contribute mightily to your profitability. Unlike Wall Street investments, your technology investment poses little risk if you operate according to the ten-step plan I'm going to outline. You're in control of this investment. You have the opportunity to maximize the return it can deliver by your wise use of its capabilities. By availing yourself of the extraordinary new phenomenon of the Internet, you can establish strategic alliances and engage in E-commerce while marketing in-

expensively and powerfully, not to mention interactively. The mind-boggling capacity to do this is brought within reach by today's simple technology, which I will help you to unleash.

### 1-Research

**F**ind out what others in your industry are using for marketing, merchandising, and production. Find out what's available, what you can afford, and what's coming up next. The idea is to begin operating from a standpoint of knowledge instead of ignorance. Keep your radar attuned to which technology will improve your effectiveness and your efficiency, which can light a fire under your marketing, which can save you time and money, and which can add luster to your member services. Some of my research turned up four ways that technology could provide competitive strengths and advantages. One was a computer and software that would enable the club to create its own marketing materials, especially monthly flyers touting your web page. Another was a program that has been used for years, but not to its full potential, the lead box program. What other industry in the country is able to place 100 mini billboards in their community, displaying the name of their business, telephone number, and most recent and important, their web-site address? Your web address should not only be on every piece of stationary but every header of every box in a five-mile radius. The third was keeping track of those leads thru software and telemarketing, and last, the creation of a Cyber or Internet cafe right in your lobby or next to the juice bar.

### 2- Check out your competitors

**T**he last thing you want is for them to offer more convenience and better service than you, so see what they're up to. Learn how technology is helping them. The idea isn't to catch them but to surpass them.

### 3- Check your own members.

**W**hat technologies do your members use? If they're still using fax machines and aren't yet online, perhaps you don't have to be online either. But if they're using the web and know how to look for things there, you'd better get yourself a web site pronto. (Surveys taken have shown that club members and Internet users have almost

identical statistics) Again, your job is not just to keep up with your members but also to stay ahead of them, offering the ultimate in convenience to both members and prospects.

### 4-Limit your purchases to your real needs

**O**nce you have determined those needs, you'll know which technology to purchase and which you can do without for the time being. There's no need to arm yourself to fight a tiger when all you'll be facing is a pussycat. On the other hand, you don't want to be prepared only for pussycats when tigers are charging you. The key is to fortify yourself with the appropriate technology to serve your needs. A consultant might just be the ticket to help you in this area.

### 5-Examine your alternatives

**H**ere I am praising computers and technology to the skies when I well know that computers aren't the solution to every problem and that advanced voice mail systems can lose customers for you as easily as they can gain them. Picasso once said that the problem with computers is that all they can do is come up with the right answers, but not the right questions. It's up to you to ask those right questions. How can you improve your member service with technology? How can you add more effectiveness to your marketing with technology? How can you streamline your way of doing business with technology? If you ask those kinds of questions you'll be able to use technology to provide the answers. Where computers used to be a luxury to small business, each day they're becoming more of a necessity. Operating a business without them today is like operating a business 50 years ago without a telephone.

### 6-Talk to your staff

**D**on't keep it a secret. Your task is to get them to want technology as much as you do, to embrace it with the same enthusiasm as you. Many of today's computer whizzes were scared to death to touch a keyboard or click a mouse just a few years ago. So take the time to get feedback from your people, to enlist their aid, to make them feel part of the move to technology rather than they are being brushed aside by it. Their comfort level with technology is every bit as important as yours. The last thing

you want is the right technology being ignored by a staff that's terrified of it. If they're involved up front, they'll stay involved.

### 7-Develop a plan and put it in writing

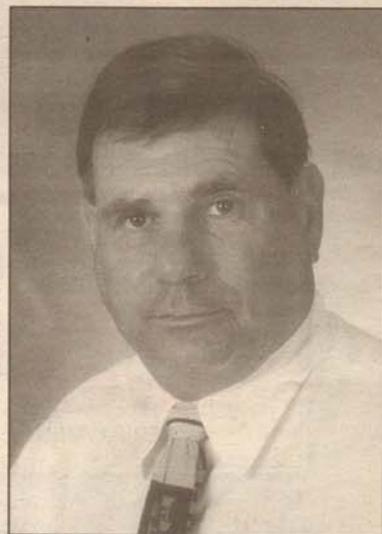
**J**ust as you should have a written marketing plan, you need to have a written technology plan which lays out which technologies you'll need and when you'll need them. After you've completed the preceding steps, write your plan. You probably won't want to purchase all your equipment at the same time, but which will you need first? Second? Third? Get those priorities straight, then live up to your plan. You'll find that the plan simplifies both the purchasing and the mastery of your equipment.

### 8-Train your staff

**I**f you can't do it yourself, or if an articulate employee can't do it, bring in a trainer or a consultant who can show your staff the ropes and the simplicity of your technology. You want your people to look forward to using it, to use it with confidence, and never to resent it. If they feel they are in control of the technology instead of the reverse, you're off to a splendid start.

### 9-Purchase equipment you can grow into, not out of

**T**he first thing you want is a computer with enough power to run all the software you'll be using. The last thing you want is to need even more power later because you've grown so successful. Don't sacrifice quality in this area. Be willing to fork out enough to a top-quality vendor for top-quality technology. Maybe it's more power and technology than you need right now, but you'll be much happier growing into it than realizing you'll soon outgrow it. Whatever you purchase will be improved, and the price will drop, within a few months. That's the nature of the technology beast. But never forget that you can upgrade if you have to. Software keeps getting better and better and easier to use, and it's very simple to merely upgrade your software without



**Jimmy Mack**

having to purchase a new or more powerful computer. A health club business is like a new family; it doesn't make sense to purchase a one-bedroom house with a baby on the way and a few more planned for later. A three-bedroom house may be a bit too large at first, but you can grow into it and won't have to start looking for a new house when you should be settling into one.

### 10-Evaluate your progress

**A**t the end of each month, check to see if you're following your plan, if your technology is serving all your needs, if your staff is comfortable with the technology, if your members are happy, and to call a consultant if you need direction. Settle for nothing less than complete satisfaction. Is the technology doing exactly what you want it to do? If not, make changes so that it does.

It is very important that you become involved not with the technology itself, which can be ultra-fascinating, but with what the technology can do for you. All the bells and whistles in the world won't increase profitability if it can't delight your members and satisfy their specific needs. Never forget that your members should be the beneficiaries of your leap into the technoworld, and that advanced technology is all about them, not about you. If you keep that fact at the forefront of your mind, you'll stay on the right track.

*(Jimmy Mack is a Partner in Health Club Experts.Com and may be reached at (877) 732-7528 or e-mail: jimnymack@tinational.net)*

## ...Capitol Reports

continued from page 18

areas." IHRSA and its members saw this as a virtual green light for hospitals to build tax-exempt health clubs. They convinced State Representative Kevin McCarthy to amend the bill to include the phrase "'Non-clinical service area' does not include health and fitness centers." The amended bill recently became law.

IHRSA commends Mike O'Donnell of Riviera Country Club and other Illinois members for their diligence in the battle for a level playing field. IHRSA would also like to thank Representative McCarthy for sponsoring this important amendment.

Contact IHRSA's Public Policy department with any questions or for a copy of the new Illinois law.

### EMPLOYERS WINNING MOST ADA LAWSUITS

Employers prevailed in 96% of Americans With Disabilities Act (ADA) cases that were decided last year in federal court.

## ...Coffman

continued from page 16

loving, let-it-all-hang-out-once-in-a-while people. It would also be a great ice breaker and lead into a conversation that would lead into a promotion or suggestion.

Oh yes! Don't forget the camera. Take a picture of the member reacting to this moment. I guarantee a terrific smile and a fun expression. Have a Birthday Board with all the pictures of Birthday members in a month, and at the end of the month have a drawing for a prize. The drawing could be held on the last Friday of every month at which time you have a birthday sheet cake for the members in the day to share in honor of all the celebrations in the month.

What about the members who haven't been in for a while? Do you send out Birthday Cards?

#### THE BIRTHDAY CARD

- Send a greeting...get a response  
 Do you send birthday cards to your members? Who signs them? It should be the owner or manager. Do you include a present or a way of getting one? By that I mean, does the card have a follow up to it? (A special invitation to a special event, a guest pass to give out in honor of their birthday, a chance for an additional prize, a reason to bring the card into the club

According to a survey conducted by the American Bar Association's Commission on Mental and Physical Disability Law, employees won in only 13 of 291 federal ADA cases in 1999.

This doesn't mean, of course, that ADA violations are of little consequence. The National Law Journal explains, "Lawyers for employees are quick to point out that the survey does not include cases that are settled after filing... Once an employer recognizes an employee has a strong case, the employer often will settle in order to protect its reputation."

No data is available on the number of ADA cases that are settled out of court.

The ABA commission also looked at the results of ADA Title I (employment-related) complaints filed with the Equal Employment Opportunity Commission and found that employers prevailed in about 85% of the 17,007 cases the commission received last year.

### BUSH & GORE RUN FOR MORE THAN PRESIDENCY

The following are ex-

cerpted from "Running for President: Are they Fit?" by Ted Mitchell, M.D., of the Cooper Clinic in Dallas, TX (USA Week-end 7/30).

As with most successful, long-term exercisers, Bush and Gore sweat for reasons beyond the physical. Both candidates find exercise a stress reliever that helps them think clearly. After their runs, each seems invigorated.

When it comes to the flabby state of our nation, both candidates have a plan. Gore, aiming to make exercise a habit with kids, recently announced a plan to expand YMCA and other after-school programs. Bush wants to use the White House as a bully pulpit to persuade more companies to invest in adult programs such as on-site wellness/fitness centers. "When people realize there's a correlation between exercise and less doctor visits," Bush says, "that equates to money."

Bottom line: Two of the busiest people in America understand and enjoy the benefits of fitness and make it a priority in their hectic schedules. Whichever man wins, he will serve as a testimony to healthy living. Both, indeed, are fit to run.

owners and managers of restaurants that use this program of MAKING BIRTHDAYS FUN handle the situation. You will find that most waiters and waitresses were not comfortable doing this initially either. However, You will probable learn that:

a. Managers proceeded to hire "fun" people. People who enjoyed creating fun experiences.  
 b. They made this part of the job descriptions. It was not an option. The interview established the expectations immediately.  
 c. They trained, practiced (rehearsed), and found that making the decision to MAKE IT FUN was fun. And it grew their business too.

If any of you have created or have thought of new ways of MAKING BIRTHDAYS FUN I would love to hear about it. Call, fax, or e mail your suggestion and I will include it in a follow up article to *The Club Insider* News at a later date. We will all learn from each other. Together we will all MAKE IT FUN!

(Sandy Coffman, the world's foremost expert of health, racquet and sportsclub programming, is the President of Programming For Profit. Sandy is a 25-year industry veteran and one of the most sought after speakers in the industry. Sandy may be reached at: (941) 795-7887 or e-mail: SLCoffman@aol.com)

## ...Scudder

continued from page 14

actively been involved in technology for nearly 20 years. Scudder's web

site, [www.nvo.com/michaelscudder/](http://www.nvo.com/michaelscudder/), regularly receives over 14,000 hits per month. He can be reached through his web site, by email at [fitfocus@aol.com](mailto:fitfocus@aol.com), or by telephone at 505-751-4236.)

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# The CLUB INSIDER News World View

## MONTHLY NEWS FROM AROUND THE GLOBE

**JOHN KERSH**, Director of International Development for IHRSA, tells us that he has been spending a lot of time in San Paolo, Brazil preparing for the first ever South American IHRSA Convention. The event, organized in conjunction with partner, Fitness Brasil, will be October 17-19 and should be quite an event. **MARK MASTRO**, CEO of Fitness Holdings Worldwide, will be a featured speaker as will IHRSA Executive Director, **JOHN MCCARTHY** and in-

dustry guru, **CASEY CONRAD**. John also tells us that Life Fitness has established a company office in Brazil and expects quite a bit of new business from that part of the world. Technogym has been there a while and is experiencing success.

**PATRICK HENCHOZ**, the Managing Director of Esporta, has announced his resignation effective December 31, 2000. This has stimulated more speculation that

Esporta is primed for a takeover by either Cannons or Whitbread. In 1999, Esporta had 22 clubs generating \$96-million. (U.S.) Esporta opened 3 clubs in the first half of 2000 and expects to open 4 more by December, 2000. Membership grew 22% to 126,000 during the first six months of 2000.

**BOOTS** with 1,378 retailing pharmacy stores in the United Kingdom, has announced that it will

begin opening fitness studios offering exercise and swimming as well as a broad range of health, fitness and beauty products and services. The new club chain will be called Boots Body 360 and will open in London and Chiselhurst early in 2001. Boots Managing Director, **KEN PIGGOTT**, commented, "There is a huge interest in a 'whole-life' approach to health, beauty and well-being and Boots is uniquely positioned to meet this growing need."

In The U.K., Topnotch Chief Executive **MATTHEW HARRIS** announced the acquisition of 5 Cannons Group PLC health and fitness clubs for \$2.5 million (U.S.) Harris noted, "The acquisition of this high quality package of five clubs is a significant step in our expansion programme. Since flotation in early March we have added nine operational clubs to our portfolio more than doubling the size of the group."

## BODYPUMP

continued from page 3

An unlicensed facility providing a barbell class set to music and using a confusingly similar name to BODYPUMP (ex: Pump, Power Pump, etc.)

An unlicensed facility employing instructors trained in BODYPUMP (instructors sign an

agreement to teach only in licensed facilities).

Paying for the license just long enough to receive the training and marketing materials before canceling and yet continuing to offer basically the same program as BODYPUMP.

Although BODYPUMP does recognize that they cannot restrict clubs from imitating their program, they can enforce their

trademarked brand and the license agreements signed by club owners and instructors. "We estimate the value of our brand at \$15-20 million with over 20 years of development done in New Zealand, and we intend to protect our investment vigorously. The public has begun to shop for BODYPUMP, and it is both ethically and legally wrong for a club to represent that they have BODYPUMP without paying the license fee. Of course there will always be imitations and knock-offs for two products or programs. Our two concerns are the use of our trademarked name to knowingly confuse consumers and trained BODYPUMP instructors teaching a similar weight based program in unlicensed clubs," says President and Owner, Rich Boggs of The Step Company.

The instructors receive a

benefit from our contract as well. The Step Company provides the instructors with all of the training and knowledge to execute the program and deliver the product in a very specific and unique manner. Therefore, The Step Company has the right to restrict the delivery of the product to only licensed facilities. When the instructor teaches at an unlicensed facility, both the club and the instructor are in violation. The club is tortiously interfering with a contract between The Step Company and the instructor. The instructor is in direct violation of their agreement to teach only in licensed facilities.

"We have tried to make the BODYPUMP license as inexpensive as possible for clubs without requiring a long term contract. Clubs may cancel at any time with a 7-day notice. There is just one stipulation — they must agree not to teach another barbell class synchronized to music

for 90 days after the termination of our program. This is what we consider our 'cooling off' period that we will now enforce," says Boggs.

Precedence is on their side.

The legal system has upheld the rights for other trademark names including Spinning and Tae Bo. There was also a case involving BODYPUMP, where a large chain (name withheld) agreed to change the name of their barbell program because of possible confusion with BODYPUMP. The Step Company itself is no stranger to litigation. In the mid-90's, they were successful in two major pieces of litigation cases against two well known companies.

Most of the violators may be unaware of their wrongdoing. However, BODYPUMP has a detailed process to determine if a club or instructor is in violation and several steps are taken to warn those in violation before resorting to legal action. Some clubs simply believe they won't get caught. However, BODYPUMP now has over 7,000 trained instructors and over 300,000 weekly participants who are their eyes and ears. "As a testament to the uniqueness of BODYPUMP, consumers who have experienced the real thing let us know when a class is not a legitimate BODYPUMP class," says Boggs.

"We have thousands of clubs and instructors that are committed to and invest in the concept and are receiving the benefits. We will not allow a minority to unfairly tarnish the image of BODYPUMP," says Boggs.

"At this point in time, our goal is to pursue the blatant offenders, those who have received the warnings and choose to ignore them. We hope once club owners and instructors see that we are committed to protecting our trademarks and enforcing our agreements, they will take the steps necessary to avoid confusion."

## Norm Bates' THE Club Insider

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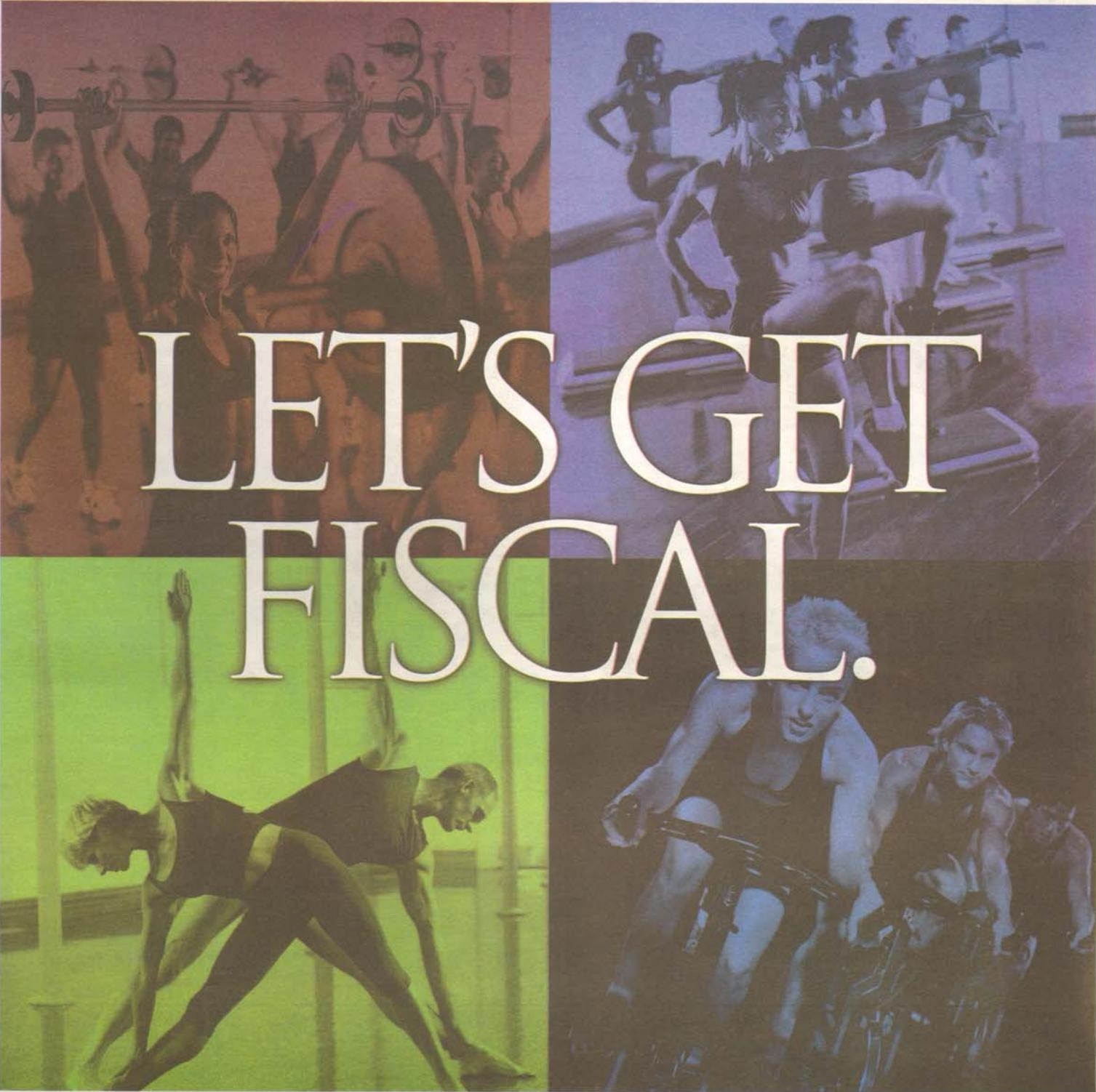
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