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THE Club Insider

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

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VOLUME 8 NUMBER 8



MIKE MOTTA

Plus One In The Big Apple!

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NEWS

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

MIKE MOTTA

Plus One In The Big Apple!

By Norm Cates, Jr.

What does a physical education teacher and college football and lacrosse coach of seven years do when he moves to the Big-Apple from a much smaller city? Why, he creates a business that now generates millions of dollars in annual revenues, that's what! Was it easy? No. Has it taken a huge amount of focus, dedication and hard work for Mike Motta and his Plus One Team to reach this level? Absolutely. In fact, what they have accomplished in New York City is remarkable and could easily be used as a model for up and coming fitness entrepreneurs in many other major cities.

Mike Motta's story is a

terrific testimony to the art of 'sticking-to-it!' and partnering with the right people. He started his group of now 16 locations in 1986 with a 1,600 square-foot personal training studio in the Soho District of New York. From that small beginning, he has grown his business to include 11 corporate and 5 hotel facilities with three new corporate sites and one residential facility to open soon. Plus One specializes in corporate and hotel fitness centers, personal training, physical therapy and spa services and now employs 210 full-time and 230 part-time staff members!

An Injury At West Point Starts It All

After graduation from Cardinal McCloskey High School

in Albany, New York in 1970, Mike Motta was honored with an appointment to the United States Military Academy at West Point, New York. He attended the Military Academy for two years and then transferred to the State University of New York at Albany (SUNY). There, Motta graduated with a degree in Biology in 1974.

Motta had injured a shoulder while playing Rugby at West Point and first became interested in fitness training while rehabilitating his shoulder injury at Joe Rozz's Nautilus Center in Albany, New York. Rozz had one of the first Nautilus Centers in the U.S. and Motta first became intrigued with the business then.

While completing his undergraduate work at SUNY, he began coaching football and lacrosse. He then went to Ithaca

College in Ithaca, New York and earned his Master's in Physical Education. As a Graduate Assistant, he coached football and lacrosse while completing his Master's. At age 25 and armed with his Master's in Physical Education, Motta went back to SUNY and spent the next 7 years as a Phys. Ed. teacher, football and lacrosse coach. In 1983, Motta moved to New York City to work on his Ph.D. in Applied Physiology at Columbia University. But, his lifetime career path and success as a personal trainer and fitness entrepreneur got in the way of his Ph.D. work. What he has achieved since then is very likely much better and more meaningful than what he might have accomplished had he continued with that Ph.D. work!

We traveled to New York City and had the opportunity to meet with Mike Motta and visit several of

his operations. We visited the Trump International Hotel & Tower, a combination residential and hotel facility and two corporate facilities, including a Morgan Stanley facility and the new Merrill Lynch 20,000 square-foot facility located on the first floor of the World Financial Center. To say that these facilities are all well done and impressive would be an understatement. Later, we followed up with Mike for an interview in which he shared highlights of his career with us. That interview follows.

An Interview With Plus One's Mike Motta

Q. Mike, you have come from an excellent educational and teaching background before you got full-time into fitness in New York City. (See Motta page 12)

Geoff Dyer Becomes IHRSA'S 21st President

By Norm Cates, Jr.

Geoff Dyer moved to the United States from Australia almost 30 years ago and immediately went to work in the health club industry. Now, Dyer

is the owner of 13 Lifestyle Family Fitness centers throughout the Tampa Bay, Florida market and on July 1st he stepped in as the new President of The International Health Racquet and Sportsclub Association, arguably the worlds leading health club Association.

Dyer assumes the prestigious title of President of IHRSA from 20th IHRSA President, Joe Cirulli. Cirulli, the owner of the highly successful Gainesville Health and Fitness Centers in Gainesville, Florida, will serve one more year on the IHRSA Board of

Directors as Ex-officio President.

In our July, 2001 edition, we published departing comments from Joe Cirulli, as he handed over the President's gavel officially to Geoff Dyer on July 1st. In Cirulli's interview he recalled his fondest memories from his (See Dyer page 4)



Geoff Dyer

Frank Trulaske Wins Fitness Industry Lifetime Achievement Award

Inside The Insider

- MAKE IT FUN!
- How to Use The Internet To Market Company Membership Programs
- Thomas Plummer... A Teacher That Makes It Fun!
- Capitol Report

Praises Equipment Industry Peers for Progress

DENVER, Co.- Frank Trulaske, founder and CEO of True Fitness Technology, Inc. received the fifth an-

nual Lifetime Achievement Award from Health and Fitness Business Magazine at its recent trade show in Denver. Trulaske was selected after open ballots were sent to more than 7,000 fitness industry professionals. True Fitness company sales have grown 600 per- (See Trulaske page 4)



Frank Trulaske

...Trulaske

continued from page 3

cent since 1995.

TRULASKE PRAISES THE INDUSTRY

"Since our inception in 1981, we have committed ourselves to making treadmills that people can be very proud to own. Our success mirrors the progress made by other fitness companies that work hard to contribute to a

healthier America. The fitness equipment industry has come of age in terms of quality manufacturing and service that exceed expectations and also in terms of recognition from healthcare corporations and the investment community," Trulaske said during his acceptance speech at the Health and Fitness Business awards dinner.

PURSUIT OF QUALITY

Trulaske, an engi-

neering and manufacturing expert, founded the company in 1981 to provide the first high-quality, reliable treadmills to the home fitness market. True's home treadmills, built with a combination of computer robotics and traditional handcrafting at the company's 136,000 sq. ft. factory, were the first ever to receive a patent for heart rate control technology and were the first to incorporate incline elevation controls on home treadmills.

on the Board look forward to setting new goals and objectives and to helping spread the word to investors, developers and non-club members, about the value of exercise and what it is like to enjoy the experience of a 21st century health club. We are ready to make a difference.

Q. How do you feel about the state of the health, racquet and sports club industry right now?

Dyer- After recently attending the 20th Anniversary IHRSA Convention and Trade Show, it's just astonishing to see how fast our industry is changing. It seems like there has never been a greater period of change than what is going on right now. I think that's probably the most exciting part of the business. There are so many opportunities to make your business better that you really have to prioritize. Obviously, the explosion in personal training and group programs is a big catalyst to making the exercise experience more challenging and rewarding.

Q. Geoffrey, how about an update on where you stand in Tampa Bay with the major expansion that is going on with Lifestyles Family Fitness?

Dyer- At this time last year, we had 7 locations. We currently have 12 locations open. We have executed 2 more leases for new clubs and the construction on those is underway. We are fully committed to our growth plan and that is to take the company to 21 locations in 2002. It has really been an interesting process. Our Lifestyle Family Fitness organization has a tremendous Board of Directors of very successful people that have led fast track companies. They are

MEDIA RECOGNITION

Since then, True Fitness Technology has expanded its line to 18 consumer and 15 commercial models, the industry's largest line. CONSUMER GUIDE gave True home treadmills a "Best Buy" rating this year, and MEN'S JOURNAL and TENNIS named them a "Stand-Out Choice" and a "Gold Standard." In November, the company will introduce

an expansion of its commercial treadmill line at the Club Industry Show at Chicago's McCormick Place Convention Center.

True Fitness Technology, Inc. specializes in the manufacture and distribution of hand-crafted treadmills with heart rate control and low-impact running surfaces and has recently expanded its line to include ellipticals and stationary bikes. More than 325 U.S. dealers and 29 offshore distributors market True products in 34 countries.

...Dyer

continued from page 3

IHRSA Presidency, previous years on the IHRSA Board and his feelings about IHRSA's huge 20th Anniversary Convention and Trade Show.

In this interview, we hear from Geoffrey Dyer, the new IHRSA President.

An Interview With Geoff Dyer, IHRSA's 21st President

Q. "Goodday Mate!

Well, here you are now, our new President of IHRSA. It has been almost 30 years since you moved to America from Australia and went to work in the health club industry. How do you feel about all of this?

Dyer- Excited! I'm excited to have the opportunity to work alongside such a talented group of industry leaders as represented by the IHRSA Board of Directors and I'm excited to have the opportunity to make a difference with our vision, supported by the talented IHRSA staff, led by John McCarthy. We

former CEOs or CFOs of Fortune 500 that are used to running public companies, although we are not public. We have added one million dollars worth of overhead to manage our growth and have taken our Central Office from 5,000 sq. ft. to 15,000 sq. ft. We have created the systems and added the personnel necessary to be able to manage company growth from 12 locations to 50 locations over the next 5 years. It is certainly challenging, but I feel very excited about it. When you're in an industry where you absolutely love what you do everyday, there is nothing unpleasant about it. It is a fun experience and the members get a better product and a great experience as a result of our hard work.

Q. Geoff, if you could give advice to our readers about keys to success, what would the #1 ingredient be?

Dyer- The #1 ingredient is making people feel loved and cared about in your clubs. All the other things come after that. The health club industry has always been focused on sales-sales-sales. But now, it is very exciting to me to see that as an industry, we're evolving and moving to month-to-month dues and are successfully eliminating contracts. Those that are doing it are keeping members based upon customer service, not a 'locked-in' contract. That's a tremendous statement that our industry can support the month-to-month membership program. The phrase: "Commit To A Lifestyle, Not A Contract" is used to market our membership opportunities.

Club Insider- Geoff, what you are doing there is huge! I think monthly dues memberships will be the "Promised Land" for clubs in the fu-

ture.

Dyer- I think it is, Norm. I'm glad to hear you say that. We actually have a registration pending on the phrase, "Commit To A Lifestyle, Not A Contract". Mark Smith and TSI in the Northeast U.S., Gale Landers in the Chicago area and Fitness First in Europe are successfully offering 100% month-to-month memberships without contracts and that is a great message to the public. I think it is what the consumer wants and the sooner the entire club industry converts over to it, the better the club experience will be for our members.

Club Insider- I think there is one thing that everybody should remember and that is that THE CONSUMER RULES and they WILL get what they want. You know what I'm saying?

Dyer- "Norm, you're absolutely right on the money! You know why it is a bigger concern today than it was two years ago? It is because of the Internet. They will get what they want and you'd better have a squeaky clean operation because you can bet your life they will be talking amongst themselves on the Internet. And, when you have a Website where all your members can communicate, they should be speaking highly of your organization. The best way to have that happen is to give them an easy entry and exit membership that relies on member satisfaction with your operation, not a contract.

We wish Geoff Dyer the very best with his major growth of Lifestyle Family Fitness and in his role as the leader and 21st President of IHRSA. Geoff is a huge credit to our industry and we are lucky to have him in the role of IHRSA President and leading a major market like Tampa Bay, Florida and soon, other major Florida markets!

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• NORM'S NOTES •

• **C**ongratulations to new **IHRSA President, GEOFFREY DYER**, as has taken the helm as the 21st President of the Association as of July 1, 2001. Geoff and the other Board Members welcome new Board Members, **JULIE MAIN**, of the **Santa Barbara Athletic Club**, **CAROL NALEVANKO**, of **DMB Sports and MARK SMITH** of **Town Sports International**. Continuing with the Board are **MIKE ARTEAGA**, **Allsports Athletic Club**, **TOM BEHAN**, **Alaska Athletic Clubs**, **SANDY FRANCO**, **Franco's Athletic Club**. **JOE CIRULLI**, **IHRSA's 20th President** will stay on the Board for another year as Ex-officio President and will serve with Board Members, **PHILSWAIN**, **Sports Club Company**, **DEAN WALLACE**, **Courthouse Athletic Clubs**. Also, **DAVID GIAMPAOLO**, **MICHAEL LAMB** and **CARLOS HEITOR BERGALLO** will serve as **International Ambassadors**.

• Last month in our July edition, I reported the following comments in Norm's Notes: "Life Fitness has prevailed in its appeal of the lawsuit for Patent infringement by Precor. Precor had initially won the case, but the decision was reversed by the Federal Circuit Appeals Court." I was contacted by a club industry veteran who informed me that my comments were not completely accurate in that I had omitted some information. So, I contacted **Precor President, PAUL BYRNE** to obtain clarification of what went on. Byrne forwarded a Press Release dated July 3, 2001 and I quote from that: "Up-holding the invalidity of FlexDeck technology is what was important in this case - not just to Precor, but to the industry. It clears the ominous threat of litigation in this area for every other treadmill manufacturer." Other points contained in the Press Release issued by Paul Byrne were: (1) Life Fitness did not challenge the 1999 District Court verdict that it was guilty of unfair competition. (2) The Court of Appeals also reversed a verdict of infringement on a Precor design patent. (3) The case has been remanded back to the District Court for re-computation of the \$5 million in attorneys' fees awarded to Precor.

• **The Bankruptcy** of Schwinn/GT has resulted in what appears will be a "Bid-Off" of two major suitors on September 10th. Schwinn Attorney, **JOHN YOUNG**, has indicated that **Huffy** and **Direct Focus** have emerged as

the two serious bidders to acquire the trademark and other assets of Schwinn/GT. Schwinn was founded in Chicago in 1895 and was once the dominant bike maker in the U.S. Direct Focus is the company that makes **Bowflex** and now owns **Nautilus**. **Judge SIDNEY BROOKS** has called for sealed bids until September 6th. Speaking of Direct Focus, for the second time in the last 7 months, it has declared a **3 for 2 stock split**. The earlier split was paid on January 15th and this one will be paid on August 15th.

• Speaking of Schwinn, the **National Gym Supply company**, owned by **JON WEBSTER** and **ROB JACOBS**, has a huge supply of Schwinn Spinning Bike parts in stock. They can help you quickly solve any part supply problem you may have. So, check out their ad on page #17 of this issue and call them at: 800.GYM-PART or go to: www.gym-part.com Jon and Rob are terrific businessmen and will treat you right.

• **JILL STEVENS KINNEY**, a co-owner of San Francisco-based **Club One**, tells me that Club One has recently acquired **Personalized Workout** in La Jolla, California. The sellers were big-time triathlete, **MARK ALLEN** and former pro baseball player, **GREG HARRIS**. The La Jolla facility will become part of **Frog's Club One Network** of 7 Southern California clubs. The club is now called, **Frog's Club One La Jolla**. **JOHN KINNEY** and his wife **Jill**, now own and operate 70 locations which include eleven high quality commercial

clubs named "Club One" as well as 50 custom fitness facilities serving corporations throughout the U.S.

• **The GOLD's GYM CONVENTION** this year was held in Miami, Florida and according to **DEREK BARTON**, Gold's International Vice President of Marketing, it was a great success with nearly 800 people in attendance. Check out page #8 of this issue for the list of **Gold's Gym Awards Winners** at the Convention. **Derek Barton** told me that the Gold's Gym organization now has 12 alliances in various cities. A good example is the Gold's Gym Alliance in the Atlanta area where the owners of 14 or 15 Gold's Gym, led by **GOR-DON JOHNSON**, have put together a really good working relationship that shares marketing power and other resources. This is a far cry from days past when some Gold's operators didn't get along or cooperate in anyway. Like the **Gladiator** said, "Strength In Numbers." Other exciting things that are happening at Gold's Gyms is that they have now reached 600 locations and Gold's and the giant **ICON Fitness Corporation** have announced a licensing agreement whereby **ICON** will manufacture and market a full line of home fitness equipment under the Gold's Gym name. The release of the first products in the Gold's Gym home equipment line will be this Fall. **STAY TUNED**.

• Speaking of Alliances, check out the article in this issue about **Thomas Plummer and Company**. I recently attended a 2-day club management seminar conducted by **Thomas Plummer**, and I must say I was really impressed. Check out the article on page #18 and the advertisements for the members of the **Thomas Plummer Alli-**

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ance that begin on page #20. This Alliance is producing a unique learning platform for club professionals ranging from rookie new club developers all the way up to bald-headed 28-year club industry veterans like yours truly. In fact, I think the word of the year should be **ALLIANCE** because many clubs owners have Alliance opportunities right in their community that will help their businesses, but they just don't see them. **STAY TUNED!**

• **WARD HAMILTON**, owner of the **Robious Sports and Fitness Club** in Richmond, VA, is reporting huge numbers this Summer from their **Water-Park** complex. In fact, his June revenues have exceeded his January sales, a feat that many

clubs everywhere would like to accomplish. **Congrats Ward!**

• **COLIN MILNER**, is one of the industry's greatest experts on aging and the business of exercise for older adults. Colin has left **IDEA** to form the **"International Council On Active Aging"** (ICAA), an organization whose goal is: **"Changing The Way We Age."** Colin is producing a weekly e-newsletter that will provide excellent tips you may use in your club to assist your members. The ICAA launch date is September 30, 2001. To reach Colin go to: cmilner@attglobal.net or call toll free (866) 335-9777. Good luck Colin on your new venture and thanks for being one of our regular Contributing Authors in The **CLUB IN-** (See Norm's Notes page 6)

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Norm's Notes

continued from page 5

SIDER News. And, I love a quote in Colin's announcement from that wonderful man, the late **GEORGE BURNS**, who said, "Retirement at 65 is ridiculous. When I was 65, I still had pimples." Amen

•**STEVE ROMA**, owner of **WOW! Work Out World**, informs me that they have acquired the **Riverfront Fitness Center** in Red Bank, N.J. Roma has also announced the promotion of **ANITA WORKS** to the position of Group Fitness Coordinator. She will be responsible for the implementation of the group exercise programs like **BODYPUMP** by **Body Training Systems**. That is cool. **WORKS** will be **working** them out at **Work Out World!**

•**PAT PINE**, the Executive Director of **NFTA** has announced a partnership between **ACE (The American Council On Exercise)** and the **National Fitness Therapy Association (NFTA)**. Through the partnership, **ACE** will become an Associate Member of **NFTA** and

ACE's Clinical Exercise Specialist (CES) certification will be endorsed by the Association. Currently, **NFTA** only recognizes 10 of the more than 300 certifying organizations and endorses only **ACE CES Certification**. Industry vet, **KEN GERMANO**, is the **Executive Director** of **ACE** and is leading the Council through a number of significant and very exciting new initiatives.

•**BRYAN ARP**, has been named President of the recently revived **Netpulse LLC**, by **Netpulse Founder, TOM PROULX**. Good luck to Tom and Bryan as they go about restoring service to clubs and moving forward with the recovery of the company that had been acquired out of Bankruptcy Court by Proulx a few months ago.

•Not long ago I heard from a local fellow in the club business in the Atlanta area who informed me that **Fitness International**, a local chain of three very nice 40,000 sq.ft. free-standing clubs, was being adver-

tised in the local real estate report to be sold in courthouse foreclosure. I contacted **TIM MANSOUR**, the owner of the very successful **Fitness International Clubs** and the **Collins Hill Athletic Club** to ask him what the heck was going on. Tim is a terrific operator and was featured on the cover of **The CLUB INSIDER News** a few years back after he had won the **Small Business Administration's Entrepreneur of the Year Award**. I spoke with Tim about 9:15 a.m. on the morning of the 10 a.m. scheduled sale on the Courthouse steps, and he sure didn't sound worried. Tim explained that it was very complicated, but the foreclosure sale had been caused due a disagreement with his lender over the proceeds of the sale of one of his five clubs. He explained that the foreclosure sale had been cancelled and there was no problem whatsoever for him with his other 4 clubs. It was worked out O.K. for everybody. I checked with **JIM BALIS**, Senior Asset Manager of **AMRESKO, Inc.**, who confirmed for me that the foreclosure sale had, in fact, been cancelled on July 24th. So,

for anyone out there who is interested, **Tim Mansour's Fitness International Clubs** are doing fine in the Atlanta suburbs and are very alive and well. No worries.

•Speaking of new hires, in Tampa, Florida, **TERRY BLACHECK** has been named as Vice President of Sales by **Lifestyles Family Fitness company Founder and CEO, Geoffrey Dyer**. Terry has an excellent background, having worked with the Fitness Company for 12 years and with **Crunch Fitness** for two years. Blacheck had worked his way up to be the Chief Operating Officer at **STEVE SMITH's Fitness Company** and at **Crunch**, held the title of Executive Vice President. Good luck Terry in your new role with **Lifestyles Family Fitness**.

•**LEE HILLMAN** and his **Executive Management Team**, continue to ring up excellent results for the largest fitness company in the world, **Bally Total Fitness**. Bally has reported that its non-dues revenue is up

40%. 2nd quarter results on all key indicators are up and here they are: Revenue-up-11% to \$281 million, Net income up 21% to \$19.2 million, EBITDA up 10% to \$52.1 million, Same stores sales up 8%, Membership units up 2%. These are mighty good results for these so called, "Challenging Times." **Late Breaking Bally News!** On August 14th Bally filed a form S-4 to offer 6 million shares with the \$150 million targeted to club acquisitions!

•**LYNN HOGGAN**, the Founder and owner of **Hoggan Health Industries** in Draper, Utah, informs me that his company has been awarded a Federal grant from the United States Government to assist Hoggan in competing with the large increase in import activity in the commercial fitness and exercise equipment marketplace. With the Assistance of the **Rocky Mountain Trade Assistance Center**, Hoggan will be receiving substantial funding in the areas of new product development and marketing to help combat the onslaught of imported exercise equipment. Congratulations Lynn! What an accomplishment!

•**STAY TUNED!**

The CLUB INSIDER News World View

1st ANNUAL
IHRSA EUROPEAN
CONGRESS

Defining the Future
WHAT: The Inter-

national Health, Racquet & Sportsclub Association, IHRSA, is holding its 1st annual European Congress, a unique business event

focusing on issues impacting the ever-changing health club industry in Europe.

WHO: NEW SPEAKER

— John Guthrie, Vice President of Training & Development, Hilton International - speaking on the subject - "Raising the Bar: Customer Service Training in the Hospitality Industry"

Also on the program:

Giuseppe Bonollo - Director of Marketing for Ferrari and Maserati - speaking on the subject - "Building a Winning Team, Striving for Excellence"

Simon Woodroffe - Founder of U.K. restaurant chain "Yo! Sushi" - speaking on the subject - "Using Innovation to Win New Markets"

Ingrid Berghmans - Olympic Gold medalist in Judo, and record 6 world

titles - speaking on the subject - "Success with Corporate Fitness & Injury Prevention Programs" and others.

WHERE: Conrad International Hotel, Brussels, Belgium

WHEN: October 25 - 27, 2001

CONTACT: IHRSA, (800) 228-4772, <http://www.ihrsa.org/meetings>

SEPTEMBER: 2nd Annual IHRSA/Fitness Brasil Latin American Conference

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•HARMTEGELAARS'

CANNONS, the London-based club chain, has joined Chicago-based **TENNIS CORPORATION** of America, lead by **STEVEN SCHWARTZ**, and Denver-based **Wellbridge Corporation**, lead by **ED WILLIAMS**, in the decision to install **AED's** (automatic external defibrillators) in all their clubs. **Schwartz**'TCA already has two life saving events at one of their clubs in the last two years, the second of which involved an **AED Device** owned by the **Sporting Club** at **Windy Hill** in **Marietta, Georgia**. **TCA** staff were within seconds of applying the treatment to a member, **Ed Cox**, that had gone down while playing basketball and was unconscious. Emergency help arrived and took over, saving the member's life. Member theis doing fine.

•**MATTHEW HARRIS**, CEO of **Topnotch Health Clubs, Plc**, has announced the acquisition of **Blackfriars Club** and **Royal Mint**, from **Espre Leisure Limited**, a subsidiary of **Esporta**.

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MAKE IT FUN!

By Sandy Coffman

When you get out of bed each day and prepare to come to the club, do you automatically look forward to all the fun experiences you will share with your fellow employees or members? Are you anxious to get to work because you know how much fun it is? Well that's how it should be for you, and that's how it should be for your member, too.

If that isn't happening on an automatic basis, why not consciously make an effort to MAKE IT FUN for yourself and everyone around you.

People who MAKE IT FUN take risks. They take initiative. They create unexpected experiences. They change peoples' attitudes, moods, reactions, and demeanors. They change the day.... for themselves....and for others.... for the better. People who MAKE IT FUN find that "fun" is contagious. When others see us having fun, it's like a feeding frenzy. Everyone wants to join in!

It's really easy. If you

envision yourself as a fun and playful person, you will soon come up with lots of ideas to implement in your club. If you want to turn these ideas into a retention tool, you'll do them routinely and on a consistent basis. You'll add to the ideas and be amazed as to how many others will come up with new, fun, and exciting stuff. It's great!

Here are FIVE ideas to get you started, but be aware of the impact they will have on you and everyone who takes part in them. It may be dramatic. It may be overwhelming. It may change the way you view your job. It may change the way others see you and your club. See if any of them sound like they would be worthwhile.

1. A TEAM CHEER -

One time each day gather a group of employees - mix and match - front desk, management, trainers, maintenance crew, group exercise instructors, tennis pros. Get together in a huddle and everyone do a cheer or yell some positive phrases like, "We love working out!"... "Fitness is fun!"... "Three cheers for our members! Hip Hip

Hooray!, Hip Hip Hooray!, Hip Hip Hooray!"... or "Three cheers for (your club's name)! Hip Hip Hooray!, Hip Hip Hooray! Hip Hip Hooray!"

Note: Each day pick a different timeframe and different employees.

2. FUN BOARD -

Have a specific place (bulletin board) where you put up affirmations and cartoons. Have each employee sign up for the day or week that he or she will bring one in. You may have this board specifically for your staff or out in the club for your members to enjoy as well.

3. CRAZY DAYS -

Designate two days per month, i.e. the 1st and 15th, to either be "Crazy Hat Day" or "Crazy Shirt Day," or "Crazy Sox Day." Obviously on these days the whole staff will get with the program and creatively wear something crazy. The key here is to have everyone get involved. It will come easier for some than for others, but it's all a matter of choosing your attitude, being a team player and

getting in the spirit.

4. CLUB GREETER -

One day a month assign a greeter at the door. First of all, dress the part. I mean like a bell captain's uniform or something like that. Each member should be greeted enthusiastically with a smile and a handshake. Each member could be given a guest pass to take with them as they leave. It's important to say goodbye as enthusiastically as you say hello. The key here is to choose a different day each month, but that's easy. Choose the 1st of September, the 2nd of October, 3rd, of November, or the first Monday, then the first Tuesday, and so on. You get it.

5. A MEMBER CHEER

- Have two or three employees get together and cheer a member's name over and over as he or she is working out. For example, spontaneously appear in front of Alice on the treadmill and chant, "A-lice! A-lice! A-lice!" Pop into a group exercise class and say "Go! Mary! Go! Jim! Go Jill!" Come up to a member that is working hard doing reps on a



Sandy Coffman

piece of equipment and applaud saying, "Let's hear it for Mike!" Then all three of you give him a high five.

These are just a few ideas that came from the employees of several clubs that I've worked with. In all the clubs, the result of coming up with these ideas and having the confidence and positive attitude in implementing these ideas didn't come automatically or immediately. Clearly there was time spent in educating them on the history of our industry and explaining the correlation between service, sales, programming, and retention. These are (See Coffman page 8)

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...Coffman

continued from page 7

tools to help accomplish the growth of our business and to help us market to the vast amount of people who are afraid to come into our clubs for fear of being too technical, demanding, or serious. The time spent is valuable, however. MAKING IT FUN begins with an education, a positive attitude, and, finally a commitment. At that point, the staff envisions themselves as fun and becomes creative in making your members' experience at your club fun.

Yes, Virginia, you can have fun and exercise too.

Author's Note: I truly have FUN reporting some of the ideas that clubs have implemented after working with them on education, consultation, evaluation, and discussion. It takes time and effort to cover "why to do it, how to do it, who

to hire, and how to train." If the result is good, however, the value is obvious!

Just like consulting, The Club Insider News continues to help give you education, industry insight, and ideas from clubs around the world. It too, is a great value, but, no, Virginia, there is no free lunch. Although The Club Insider News is pleased to send out sample copies to interested subscribers, there is a subscription cost, for all interested parties. It is not automatically included with other memberships or subscriptions. So, if you haven't seen a new Club Insider News lately, you should subscribe so you receive it every month.

(Sandy Coffman is the President of Programming for Profit. She is the world's foremost expert on programming. Sandy may be reached at: 941/795-7887.)



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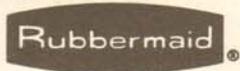
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Hollywood, CA
San Francisco, CA
Brno, Czech Republic

MOST IMPROVED GYM OF THE YEAR

•Salem, MA
Fresno, CA
Seattle, WA
Hagerstown, MD

MOST GYMS - Nautilus

•Wanda & Brad Neste (11)
Edward Sampson (9)
Royce Pulliam (8)
Anna Marie & Wade Ferguson (7)

BEST MAINTAINED GYM

•Totowa, NJ
Orlando, FL
Lexington/Millpond, KY
Sterling, VA

EXCEPTIONAL INTERIOR

•Cairo, Egypt
Douglasville (South), GA
Taipei, Taiwan
Altamonte Springs, FL

EXCEPTIONAL EXTERIOR

•Saitama Super Arena
Douglasville (South), GA
San Francisco, CA
Orem, UT

OUTSTANDING CARDIO

•Taipei, Taiwan
San Francisco/Brannon St.
Nashville/Brentwood, TN
Altamonte Springs, FL

BEST GROUP EXERCISE PROGRAM

•Woodbridge, VA
Taipei, Taiwan
Douglasville, GA
Hollywood, CA

BEST SENIOR PROGRAM

•Bloomington, IL
Douglasville, GA
Wilmington, NC
Olympia, WA

BEST YOUTH PROGRAM

•Charlottesville, VA
Woodbridge, VA
Lexington, KY

MOST NEW GYMS (Single Owner)

•Scott Therringer (5) Tie
•Edward Sampson (5) Tie
Royce Pulliam (4)
Eiji Tezuka (3)

LARGEST RESISTANCE TRAINING AREA

•Martinsburg, WV
Altamonte Springs, FL
Cary, N.C.
Las Vegas, NV

BEST PRESALE

•Crofton, MD (3,700 members)
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(2,896)
Cary, N.C. (2,751)

BEST GRAND OR RE-GRAND OPENING

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Brno, Czech Republic
Douglasville (South), GA
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Republic
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Sydney, Australia
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OUTSTANDING NEWSLETTER

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Tokyo, Japan
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•New Haven, CT
Salem, OR
Howell, NJ

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BODY REVOLUTION
•Wenatchee, WA (88)
Marin, CA (80)
Rehoboth Beach, DE

BEST USE OF WEB SITE

•Roswell, GA
San Francisco, CA
Santo Domingo, Dominican
Republic
Conshohocken, PA

CELEBRITY APPRECIATION AWARD

•Kobe Bryant

OUTSTANDING PRO SHOP FACILITY & DESIGN

•San Francisco/Market St., CA
Cary, N.C.
Lexington/Millpond, KY
Hollywood, CA

OUTSTANDING RETAIL

•Hollywood, CA
San Francisco/Brannon St., CA
Moscow, Russia
Hagerstown, MD

OUTSTANDING VENDOR

•Club Solutions (for Services)

•Life Fitness (for Products)

CONVERSION GYM OF THE YEAR

•San Francisco/Market Street, CA
Yokohama, Japan
Fort Worth, TX
Greensboro, NC

ED CONNORS HUMANITARIAN AWARD

•Christopher Jordan &
Theodore Bernson
Mary Murphy & William Austin
Doug Pearson
Michael Valentino & Robert Lennon

BEST NEW GOLD'S GYM

•Douglasville (South), GA
Crofton, MD
Charlestown, W.V.
Lexington, KY

TOP GROSSING GOLD'S GYM

•Taipei, Taiwan
Hollywood, CA
San Francisco, CA

TOP NETTING GOLD'S GYM

•Taipei, Taiwan
Bloomington, IL
San Francisco/Market Street, CA
Hollywood, CA

VISIONARY OF THE YEAR

•Angel Banos & Willy Banos
Lori & Jeremy Lowell
Patrick Meadow
Scott Felsted

BEST INTERNATIONAL GYM

•Taipei, Taiwan
Saitama Super Arena, Japan
Brno, Czech Republic
Santiago, Dominican Republic

GOLD'S GYM OF THE YEAR

•Bloomington, IL
Nashville/Brentwood, TN
Quesnel, B.C.
Altamonte Springs, FL

FRANCHISEE OF THE YEAR

•Mike Epstein & Art Carril
John Burris
Chris Jordan
Phil Sciscione

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Gerry Faust



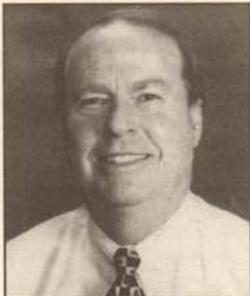
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IHRSA's Capitol Report

Capitol Report Reprinted Courtesy Of IHRSA

STATE LEGISLATIVE UPDATE

TENNESSEE: The State budget approved in early July reached Gov. Don Sundquist's desk Tuesday, giving him until July 28 to decide whether to veto it or let it become law. The \$19.6 billion budget, passed as demonstrators opposed to tax increases stormed the State Capitol Thursday night, relies upon no new tax revenue.

Sundquist had promised to veto any budget that relied heavily on a sales tax increase, and said a budget without an income tax was an "excellent candidate for a veto." But a narrow majority of legislators opposed an income tax.

Tennessee is one of nine states without a broad-based income tax, but it has one of the higher sales tax rates at 6%, with local governments adding up to 2.75%. Half of the State's revenue comes from the sales tax, which applies to memberships at many of the State's health clubs.

COMP TIME LEGISLATION INTRODUCED

Employers will soon be able to offer their hourly employees the option of accruing compensatory (comp) time off in lieu of overtime pay if new legislation is successful.

Rep. Judy Biggert (R-IL) introduced the Working Families Flexibility Act (H.R. 1982) which would amend the Fair Labor Standards Act (FLSA) to allow private employers to offer employees compensatory time off in lieu of overtime pay, as long as both agree. Under current FLSA regulations, employers cannot offer employees comp time but must pay overtime wages. [The federal government has been able to offer comp time in lieu of overtime pay since 1985.]

"There are more and more two-earner families and more women in the workplace than ever before they want flexibility and they should have it," said Biggert. "Giving employees the option of using some of their overtime benefits to take time off to meet with their kids' teachers or see their soccer game just makes sense."

The bill has 40 co-sponsors. The Senate version of the bill,

called the Workplace Flexibility Act (S. 624), was introduced by Sen. Judd Gregg (R-NH) earlier this year.

The Working Families Flexibility Act requires that any comp time program be voluntary. Furthermore, the bill contains provisions that state that compensatory time agreements may not be a condition of employment. Employees could accrue up to 160 hours of compensatory time off per year. Employers would be required to "cash out" any unused employee comp time by January 31 of the following year.

SOUTH FLORIDA'S ADA INDUSTRY

In a little more than three years, John D. Mallah has made himself public enemy No. 1 for small-business owners in South Florida. Since 1998, the Miami lawyer and his partners have sued at least 740 businesses claiming that they had failed to make their facilities accessible to the disabled, as required under the Americans With Disabilities Act (ADA).

Mallah has filed more ADA access suits than any lawyer in Florida. That's no small achievement considering that nowhere are more businesses sued for such violations than in South Florida. Mallah is one of a handful of lawyers who have made millions from suing small businesses under the ADA. They have turned Florida, California and Hawaii into ADA battlegrounds, while other states report few cases. The situation has contributed to a backlash in Congress and in the public against methods that their critics call legal extortion.

"What we have seen in so many of the cases are lawsuits that do not have real plaintiffs — do not have a real person discriminated against," says Elizabeth Nicolson, legislative director for U.S. Representative Mark Foley (R-FL), who has sponsored legislation that would make it hard for Mallah and others to sue.

Foley's bill requires that plaintiffs give businesses 90 days to fix any alleged ADA violations before filing a suit. A

similar bill, sponsored by Senator Daniel K. Inouye (D-HI), is pending in the Senate.

Most observers think Foley's bill has little chance of becoming law this year, particularly with the Senate in Democratic hands. It failed last year, despite the high-profile support of actor Clint Eastwood, whose Carmel, California hotel had been sued for alleged ADA violations.

For more information on the ADA, visit <http://www.ihrsa.org/publicpolicy/industryissues/ada.html>.

NEW LAWS PROTECT "TRANSGENDERED" PEOPLE

Expanding civil rights law, the California Senate Judiciary Committee has approved job protection for transsexual people, effeminate men, masculine women and anyone else who doesn't fit into a stereotypical gender category.

The bill would broaden the State Fair Employment and Housing Act to cover people who have undergone sex change operations, who are in the middle of transitions, or act in ways outside of gender stereotypes. The legal definition of "sex" would include appearance and behavior "different from that traditionally associated with a person's sex at birth."

Business groups such as the California Chamber of Commerce oppose the measure because they say it uses fuzzy words like "perception," "identity," "appearance" and "behavior."

The issue would generally be treated like religion is handled now in anti-discrimination statutes. Employers don't necessarily know the religion of a particular employee, so workers are required to inform their bosses that they, for example, can't work on the Sabbath or need to pray at certain times of the day.

There was some confusion in the measure over clothing. An amendment to the bill allows dress and grooming codes "consistent with state and federal law," which essentially means that the employer's standards come first.

The bill is expected to be approved by the full Senate and passed to Gov. Gray Davis, who

has not taken a position. The Assembly approved it earlier.

About two dozen cities and states, including Minnesota and Washington, D.C., have various forms of civil rights protections for people who do not exhibit traditional gender traits.

In related news, a New Jersey appeals court ruled last week that transsexuals are protected by state laws against discrimination.

The state's Appellate Division ruled in the case of a doctor who was fired after he began dressing as a woman in preparation for a sex change. The court said the doctor, who is now a woman, could sue her former employer for wrongful termination under the state's bias laws. The appellate court ruled that the doctor's condition, known as gender dysphoria, was a handicap covered by the state law.

For more information on accommodating transsexual people in health clubs, visit <http://www.ihrsa.org/publicpolicy/industryissues/trans.html>.

STATE LEGISLATIVE ACTIVITY

For more information on this bill, visit <http://www.ihrsa.org/publicpolicy/state/ma.html>.

MASSACHUSETTS: The Senate passed SB 2083, which links the State Minimum Wage — already the nation's highest at \$6.75/hour — to the inflation rate. Automatic increases would be tied to the consumer price index. In a surprise move, Senate Republicans offered — and the Senate embraced — an amendment to raise the minimum wage to \$7.00/hour. The House is not expected to approve either initiative, and the bill will likely die there.

PENNSYLVANIA CLUB OWNER CONTESTS PROPOSED REC CENTER

Bethlehem Township Commissioners got what they asked for Monday night when they held a public discussion about a proposed recreation center, the Allentown Morning Call

reports.

Township residents filled half the high school auditorium, which seats more than 1,000 people.

The meeting was originally scheduled for July 10, but the municipal building could not accommodate the crowd that attended that meeting.

The proposed \$12.7 million facility would include indoor and outdoor pools, a fitness center, an indoor walking track, gymnasiums, meeting rooms and a child care facility. Reactions from the crowd were mixed, but most said that a scaled back center was the way to go.

IHRSA member John Brinson, owner of the Lehigh Valley Racquet & Fitness Centers and Chairman of the Lehigh Valley Tax Limitation Committee, which has campaigned against the project, said the township has underestimated the costs of the proposed center and overestimated the revenue.

Brinson argued that the facility would actually cost \$16.5 million or more, based on construction costs for 2002, including the inevitable change orders. "This would put the township into debt by \$12 million to \$13 million.... Further, the proposed center would lose over \$1 million per year, primarily because of the large operating and administrative expenses of such a facility," he said.

"I have completed a detailed line-item analysis based on the experience of actual clubs, using the 2000 report of the leading fitness industry group, the International Health, Racquet & Sportsclub Association," Brinson said.

Brinson opposes the proposed center for two reasons. "First, to protect my business and its employees, and secondly, to protect the interests of Bethlehem Township's taxpayers, many of whom, especially the elderly and families with young children, are 'stretched to their personal taxation limits' in the words of The Morning Call," he said.

Brinson has been working with the National Federation of Independent Business (NFIB) and State Sen. Charles Dent (R-Lehigh County) to draft a bill that would prevent government from starting businesses that compete with and harm taxpaying business.

(See *Capitol Report* page 16)



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A F F I L I A T E D A C C E P T A N C E C O R P O R A T I O N

...Motta

continued from page 3

York City. How and why did you get into the fitness business?

A. I got into the fitness business when I had moved to New York City to work on my Ph.D. in Applied Physiology at Columbia University. In 1983, I was hired at the Sports Training Institute which was one of Manhattan's first personal training operations and was owned by Mike O'Shea. O'Shea started growing his business here in the city in the early '80s and had commercial and corporate centers around Manhattan. He had a good thing going. I had two positions with the Sports Training Institute. One was the Director of Training. I was in charge with hiring and training all the trainers. Then, as I got more schooling at Columbia, I moved on to the position of Director of Testing and Research, working on computerizing the testing protocols for assessments of the clients. I was working on the software to analyze the data. Back then there wasn't much available on the market, so we were kind of building our own stuff.

Q. Mike, while we were touring some of your facilities in New York City, you shared an interesting experience about your early days in the personal training business. How about sharing that with our readers?

A. Sure. One of my favorite recollections was from 1983 when I had moved into an apartment in the city with one of my high school buddies. My new roommate, Kevin Bentley, was a limo driver for Calvin Klein. I had just started working as a personal trainer at the Sports Training Institute. Calvin was lamenting to my roommate Kevin that he was getting out of shape because he had lost his personal trainer. So, Kevin told him about me. Calvin asked Kevin to tell me to send my resume to him. A couple of days later the phone rings and the guy on the other end said, "This is Calvin Klein." I was thinking, "Come-on. Give me a break!" I figured Kevin was having someone pull my leg or something! But, he persisted. He said, "I want to talk to you about personal training. So, he told me to come up to his huge penthouse overlooking Central Park. I had just fallen off the 'turnip-truck' from Albany, New York and had only been in the city for a week! So, I am like in 'deep-space-

nine', so to speak. I went up to his apartment and we talked for about 45 minutes. He asked me all these questions about my experience and what I thought about this training technique and that technique. He grilled me pretty good. So, he said, 'O.K. When would you like to start?' He had already given me a tour of his home gym, so I said, 'What about right now?' So, he said, O.K. and went in to change. He came out to work out and he only had weights and no cardiovascular equipment. I was from the school of proper warm-ups and stretching, etc. So, I had him do towel jumps to warm up. Then I put him through about a 20-minute workout and he got very pale and just exhausted and went down on the floor. Here I am, having visions of being sued and taken into court. But, he recovered O.K. It wasn't that bad. But, at the time, with me just out of SUNY, it was kind of scary. I was trying to get him to recover. I felt that I had to say something at this point, so I blurted out, "Calvin, this is how I like to train people, so if it is too hard, you probably should find somebody else." He looked up from the floor at me and said, "I'll see you Wednesday." (It was Monday). So, I trained him almost every Monday/Wednesday & Friday for the next 3 years.

Q. Mike, do you have any other high profile personal training clients in your past?

A.. When we opened our Plus One Soho Gym, about 70% of our clients were high-profile people that just wanted some privacy and professional fitness training and we provided them with that for sure. I trained Cher. And Cher brought in Tom Cruise. I lived out in California at Cher's house for months on end just to train her. We had set up a Plus One Gym in California and one of our trainers, Jim Presbrey, trained Cher for three consecutive movies. Chris Meade, Plus One's co-founder, had a lot of celebrity clients: James Taylor, Kevin Kline, Joel Grey, Bernadette Peters, Robin Williams, Julia Roberts (before she was ever in a movie) and her brother Eric, to name a few. Eventually we tried to be more about "what" we did, not "who" we did it to. Because we did do a great job for a lot of these celebrities, this performance helped us a great deal with the launch of our first Plus One Gym in SoHo and New York word of mouth brought us even more clients. Tom Cruise brought in Mimi Rogers.. The artist John Alexander brought in Michael O'Keefe, and he brought in Bryan Doyle-Murray who wrote "Caddy Shack." It was a lot of fun and quite an experience and that experience helped us a lot.

15 Years Later

Q. Now, 15 years later, how

many hotel and corporate contracts do you have?

A. We have five hotel contracts including the Penn Club. The Penn Club is an alumni club up there on University Row. It is a health club and hotel for Penn University Alumni. We also operate a Plus One at the Waldorf Astoria, the New York Palace Hotel, the Plaza Spa and The Trump International Hotel & Tower as well. On the corporate side we've got 11 corporate locations right now and three more are going to open in the next 6 months. We'll also open one more residential location for Donald Trump this month called Trump World. So, we will be at 20 locations very shortly.

Q. What is the largest of your facilities?

A. Plus One's two largest corporate centers are 27,000 square-feet and 20,000 square-feet respectively. In January 2002, we are opening another corporate facility in Hopewell, N.J. for Merrill Lynch. That facility will be 30,000 square-feet just outside of Princeton, N.J.

Q. What is your smallest facility?

A. I guess it might be a tie between our Soho Gym and the Waldorf Astoria facility, about 1600 square-feet each. At the Soho Gym we have personal training and rehab and it has been going strong since 1986.

Q. Do you have all of your corporate deals structured the same way?

A. No. Everyone is a little different, although they all have some basic elements that are the same. We are finding that each customer is looking for a contractual arrangement that they are comfortable with so we have to be flexible in the terms of each agreement. This puts a little more pressure on your back office administration systems, but I believe that it gives us a competitive advantage.

Q. Give me an example of how your corporate deals are structured?

A. We receive payments monthly but like any health club these payments reflect the number of members that come through the door. Most companies want to have its member employees contribute a portion of their membership dues. So, the employee

Plus One Management Team

Mike Motta - President

Bill Horne - Chief Operating Officer

Jay Shafran- V.P. Corporate Contracts

Jamie Macdonald- V.P. Commercial & Hotel Contracts

Tom Maraday- V.P. IT & Design Development

Harry Lewit- Finance

Bob Welter- Human Resources

Lauren Motta- Massage Therapy

Liz Neporent-Corporate Acct.Exec.

Amy McGorry- Physical Therapy

Neal Pire- Training

Lemont Platt- Virtual Training

Behzad Amiri- Business Development

Grace DeSimone- Programming

Holly Byrne- Programming

pays a portion and the company pays a portion. We collect the employee's portion and we keep that and, based upon the contract, the company pays the balance. We are also eligible for a year-end performance bonus.

Q. So, for example, if you have 1,000 members in a club that you charge \$30 per month, the employee might pay \$15 per month per employee and the company would pay \$15. So, you receive the \$15,000 per month to pay the payroll and operating expenses with no rent right?

A. That's right. There is no rent in these corporate situations. The costs are for direct expenses for staff including taxes & benefits plus operating expenses for supplies, uniforms, towels, soap, things like that.

Q. From what I can tell, Plus One is one of the premier corporate fitness operators in New York. Who are your prime competitors?

A. There is a lot of good competition. For example, Johnson and Johnson Health Management operates a corporate facility for Deloitte & Touch, an accounting firm, in a space right above us in the World Financial Center. Also, the Health Fitness Corporation out of Minnesota, Jerry Noyce's group, are competitors, but they are much larger than Plus One in many ways with 160 contracts nationwide. But, we seem to have a good lock on financial services companies that are spending a little bit more money on the programming for their employees. Some of our competitors build out the box and then equip it, but the staffing investment ongoing is not as exten-

sive. So, one of the key indicators that makes Plus One special is the level of staffing that we provide. Our company started as a professional staffing company and also, we own an array of ancillary services that some of our competitors do not. For example, some of our competitors don't own a physical therapy component. They might rent out space to rehab people or massage therapists, but they don't control those businesses. And, a lot of these companies, don't provide personal training as part of their corporate contract. They provide facilities and the program, but they don't provide some of these ancillary services that require staffing and additional management.

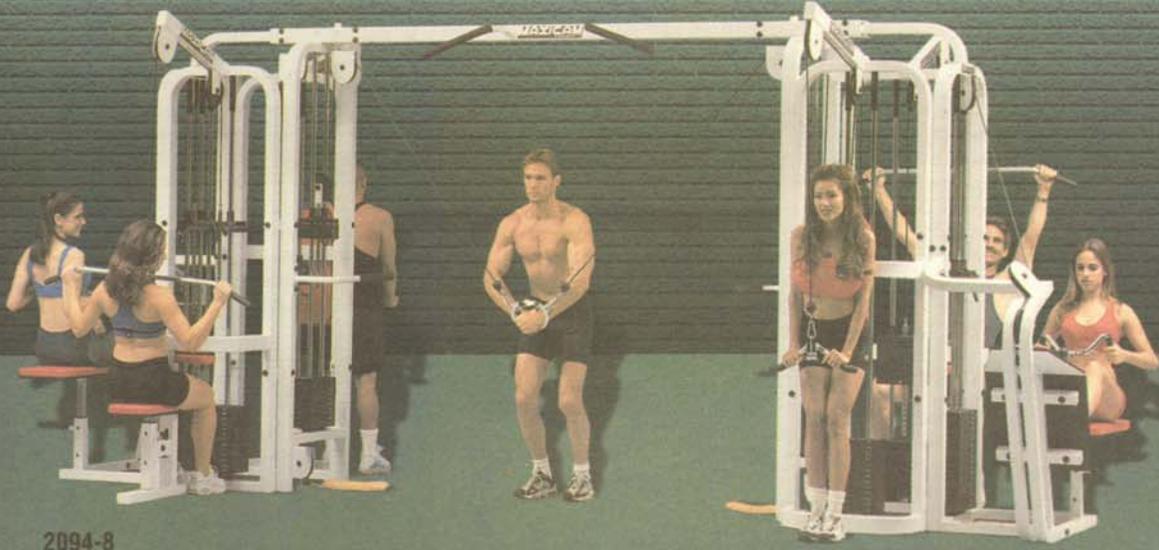
Q. So, for lack of a better term, 'unknowns' are being brought into some of the personal training and rehab environments?

A. More "less controlled" than "unknowns". As part of our package Plus One supplies the physical therapists, the personal trainers and massage therapists as our employees. The customer has a level of comfort with this arrangement. A lot of other companies will build out the facility, and they will rent out the space. Or, they will contract with someone and just make the program available. But, it is not an integrated part of what they are providing. By providing these services as part of our company, it allows us to keep our management fees competitive, while at the same time making the profit margins a little bit higher based upon the performance that we can add from these services. Just like in commercial health clubs, personal training is a growing amenity. Rehab on site is something companies like to offer because it is convenient for their employees. Spa services are a growth amenity as well, especially in hotel health clubs.

(See Motta page 20)

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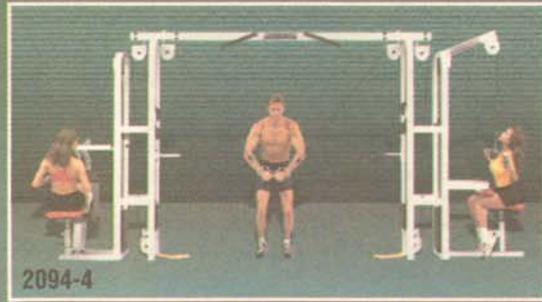
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How to Use the Internet to Market a Company Membership Program

By Arman Eckelberger

Let me begin by giving you a little background about me. I am a consultant for the club industry that specializes in setting up Corporate Sales Programs for clubs. I have been involved in working with enrolling companies on wellness programs since 1992 and was formerly the Director of Corporate Wellness for Australian Body Works, now called LA Fitness. I am also a speaker for IHRSA and Bodylife (Germany) Conventions. I have been involved with the enrollment of over 700 companies where they pay the club(s) directly for all of their employees by electronic funds transfer or direct billing.

Why should you use the Internet to market to companies?

What I have learned from using the Internet, and as most of you may already know, is the amazing ability to have marketing available 24 hours a day, seven days a week. This is a much more cost-effective method of getting your marketing message to the public. You do not have to keep printing costly brochures that could become outdated when new services become available or are changed. If changes need to be made, you can just simply contact your web developer and give him the new information. The key is getting people to go to your website and so therefore you need to make your site as interactive as possible. This means giving people lots of reasons to keep going back to your website. Examples of this would be putting your group exercise schedule, newsletter, nutrition advice and training information on your website. All of this technology is readily available to our industry and your staff can manage most of it on your site. If you have a website, how should you use it to market to companies? First of all, you need to promote your website on all of your marketing materials and in your club to heighten the awareness. You may even want to offer incentives for members to go to your website and to log onto it to gather a list of emails to do future database marketing. This is

called an Opt-in email list. An Opt-in email list is a list of people who have emailed you for information about your services and will allow you to continue to send marketing emails to them. If they wish to discontinue receiving emails from you then, they can simply send you a reply to stop. When it comes to marketing your website to companies, you should have a link that takes people to what you have to offer as a Corporate or Company Membership Program and this should be part of your main website. I would suggest making a separate set of pages or sub-links that explain why companies should consider your Corporate Program. Therefore, it would be advantageous to put all of your offerings on these web pages for prospects to review. Prospects will be able to click on the pages/links to get as much information as they would like. I currently have set up such a site for one of my clients that has about 10 pages to review on what they have to offer and 1 page that a prospect can go to and fill in his company's information. The company's information will be sent to the sales consultant to get more information. Once the sales consultant receives the email, he can contact the person in the company to give him a quote of what the investment would be for his company. This can be done in person (my preferred choice) or by phone, fax and email as well.

Using email for prospecting more than the phone

Another nice feature that you can do with your Corporate website is to send prospects via email the link (your website address) of your website in an email message that will take them to your website. The prospect can then choose to click on the link and review what you have to offer. All that is needed is an email address of the prospect. The advantage to marketing this way is that the prospect can see all of your offerings in a non-intimidating way and decide if it is something that he would like to pursue further. If he does, they can just fill in the page that asks for more information about his com-

pany and submit it via email. Wouldn't it be great to go to work one day and have 5-10 new email inquiries asking for more information about your club's Corporate Membership Program! As you receive these emails, you can contact the prospect by either phone or email to discuss setting up a meeting or a time to go over your Corporate Membership investment. This is much more effective than just sending a fax that can never tell your story as well as your website can. I say this because your website will usually have nice colorful graphics and produce a very high quality image to the company decision maker(s) much more effectively than a black-and-white fax page can. From my experience, I have never sold or bought anything from just receiving a fax. How many of you have experienced the nagging issue of trying to contact prospects by telephone and playing phone tag? I have had to deal with this most of my sales career and must say that you can reduce a lot of this if you use email. The advantage is the ability to be more efficient with your prospects and your time. Either they are interested or not. It is hard to tell when you are contacting people by phone because a lot of the time your message never gets to the prospect or they lose your phone number. That's another thing about having a website, your phone number can be readily available if the prospect wanted to call or they can just email you from the site. I have already sold several companies with this method, and I ended up dealing with the decision makers that are always pressed for time and hard to reach by phone. This is selling in the new millennium!

What should you put on your new Corporate Membership Website?

I suggest putting what you use in your current corporate proposals on the site. I would recommend the following: put a brief story or history of why your club is in business and that you are helping companies have healthier, happier employees. Basically, explain the advantages

of having a wellness program for the company and its employees. Give an explanation of the economic benefits of companies having a program. IHRSA provides a lot of this information if you do not have any available. Why your organization would be the best choice for companies. What services and programs you can provide to their associates. Have a map of your location(s) to show how convenient you are. Show a partial listing of companies that you work with or some testimonials from members. You will need an inquiry form for prospects to fill in their company information to send you an email saying that he is interested.

Email versus paper marketing.

Let's look at the advantages of using email versus paper marketing. By the way, the technology available now will tell you how many people opened the email, how many have responded yes or no, and you can also customize additional questions that you can track a yes or no response from at any time! You cannot get this kind of accurate information from sending company flyers or surveys on paper. I know because I have been doing this for years. When you use paper surveys or flyers, you never know how many people actually received the piece and looked at it. You will only know what the contact person in the company told you about the results of the survey. Now you can track the results through email! From my experience in working with companies, after I have done my presentation, the company contact person is interested and excited but what all smart decision makers say is this, "Looks great and we are very interested, all we need to do now is to see if the employees are interested". This is where the 'rubber meets the road' as they say. If you get a good response, say 20-40% of the employees express an interest; you most likely will be doing business. But if you get a low response of 5-10%, I can only tell you it is going to be very unlikely you will get the return that you were hoping for. I say this is critical because from what I have learned, you can hand out all of the guest passes in the world to the employees but what you will find is that a lot of

them will not take the time to go to the club(s). This implies a low response rate to the decision maker(s). It is much easier to deliver each employee a marketing tool that they can look at and check Yes or No on whether they are interested. All a company decision maker is looking for is this; "Are my employees interested in wellness and exercise?" If they perceive that a reasonable amount of employees are interested then it makes sense for them to make the investment.

What should be in your email message once you have gotten approval from the company to send emails to every employee?

My recommendation is to send customized email surveys to companies. You need to design your email survey so that it gets people excited about becoming a member of your club(s). Therefore, an email that has a text message on it will probably not do a whole lot to get someone excited unless the person has been to your club(s). What this means is that you need to paint a picture of what services and programs will be available and how they (employee) will personally fit into your club(s) image. I recommend using graphics or pictures that highlight the key features of your club(s), like someone average looking doing cardio exercise, a picture of someone being helped by a trainer, a picture of a group exercise class and most of all a picture of having daycare available for those employees that have children. You should have a link to a map for your location(s) and you will definitely need to put what the investment will be to enroll in the program. The investment can be stated as being paid every pay period or each month depending on the company. On another note, some of you will try to send email documents as a PDF file (Portable Document File). The PDF file can be opened through Adobe Acrobat but if the person you are sending to does not have this program, they will most likely be unable to open it. The other challenge with using this kind of format to send a marketing message is that you are sending a packet of information that will have a specific file size. De-

(See Eckelberger page 26)

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HEALTH CLUB NOT RESPONSIBLE FOR SHOOTING

The Fargo-Moorhead YMCA is not responsible for compensating a member who was shot in its weight room, the North Dakota Supreme Court has ruled.

The high court last week upheld the jury verdict that concluded the Y was not to blame for the 1996 shooting.

Clifton Rodenburg was hit five times during an early-morning workout when William

Hart stormed into the weight room with a loaded .357-caliber pistol.

Rodenburg recovered. Hart was convicted of attempted murder and sentenced to life in prison.

Rodenburg subsequently sued the Y. He argued the Y's security was inadequate, and that workers there should have regarded Hart as a potential threat.

Last year, a jury concluded Hart was solely at fault and ordered him to pay Rodenburg more than \$2 million.

The two men often lifted weights at the Y. Hart became angry at Rodenburg, and at one point circulated a letter accusing him of being a racist, court documents say. Rodenburg responded by suing Hart for defamation.

Paul Finstad, the Y's Executive Director, said Rodenburg had spoken to him about revoking Hart's membership. Hart occasionally acted strangely, and once he tossed a dumbbell in Rodenburg's direction and glared at him, court filings say.

However, Finstad said no Y members complained about Hart before Rodenburg did. Finstad checked with a Y in Sioux Falls, S.D., where Hart once belonged, and learned Hart had worked as a volunteer there and caused no problems.

LAWMAKERS ENCOUNTERING THE "SPANDEX CEILING"

Female lawmakers

work with their male counterparts in Committee meetings and on the House floor in Washington, D.C., but they aren't working out together in the exclusive gym for members of the House, the Associated Press reports.

Rep. Anne Northup (R-KY) says the 62 female House members are discouraged from exercising in the gym in the basement of the Sam Rayburn Building.

On Northup's request, a "Committee on the Gym" will study any differences in access, report findings within 60 days and make recommendations on how to eliminate any discrimination.

The provision was

part of a bill the House passed yesterday appropriating \$2.24 billion to cover legislative expenses next year.

"The gym hasn't been planned so that all members can use it," said Rep. Anna Eshoo (D-CA). "It's about time there's equal access."

Female members of the House complain that their entrance to the pool is uncomfortably close to the men's locker room. They say men have taken over the large gym to such a degree that women feel their only alternative is to walk down the hall and use a much smaller facility with fewer pieces of equipment and shorter hours.

Norm Cates'
THE Club Insider
NEWS

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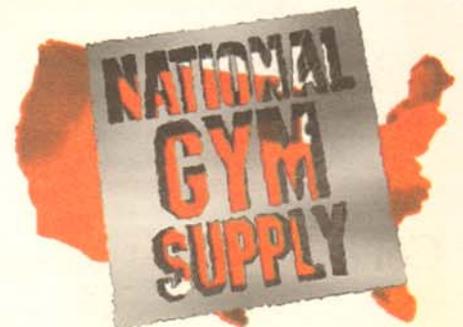
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Thomas Plummer.... A Teacher That Makes It Fun!

Thomas Plummer Company Alliance Makes Sense For The Club Industry

By Norm Cates, Jr.

Last year I connected with Lloyd Collins, the new President of The Thomas Plummer Company. After sharing some industry chat back and forth, he was kind enough to invite me to attend an upcoming training seminar conducted by Thomas Plummer. I agreed to attend because I wanted to see for myself what this guy, Thomas Plummer, was all about. I knew who Thom was and had heard that he was somewhat outspoken. I had even met him briefly in the elevator lobby at the San Francisco IHRSA Convention in March. But, I wasn't prepared for what I would witness at the Thomas Plummer Company seminar here in Atlanta, August 3rd and 4th. To describe Thomas Plummer just as outspoken is as big an understatement as describing this author as 'laid-back.'

Thomas Plummer is a gifted 'Wildman!' He has a true passion for the health club industry and its people, and his passion came through loud and clear throughout the entire two-day presentation that I attended here in Atlanta. Additional adjectives I could use to describe Thomas Plummer are: whimsical, candid, hard-charging, vastly experienced, irreverent, detailed, humorous and just plain old down-to-earth. Thomas Plummer is one of the greatest single teaching talents out there in the club industry today. And, for those of you that do not know this about me, I come from an extensive teaching background where I served as a U.S. Air Force jet instructor pilot, standardization board flight examiner and classroom instructor during the Viet Nam War. So, I know an outstanding teacher when I see one.

In fact, IHRSA's CBI Magazine will do a cover story on Thomas Plummer and Company in the September issue. So, if you are an IHRSA member, look forward to that. If you are not, call IHRSA at: (800) 228-4772 to obtain IHRSA membership information and/or CBI Magazine subscription information.

I have attended a large number of club training seminars over my 28 years in the club busi-

ness. I've been fortunate to have attended the Sales Makers Training Seminar three or four different times and in my opinion, the Sales Makers Training is excellent and has a primary single focus on Sales and Sales Management Training. I have also attended fabulous Sandy Coffman's training on 'Programming For Profit' and give her high marks everytime I see her speak. Sandy is without peer. In fact, I attended Sandy's first ever Seminar in 1978 at the West Allis Athletic Club near Milwaukee, Wisconsin. And of course, I have heard the very talented ladies, Casey Conrad and Karen Woodard, teach and they both do terrific jobs for their clients. If you were to put all of these folks inside a room together with Thomas Plummer, you surely would be able to emerge with solutions for or places to go to get answers for all of the issues the health club industry faces.

When it comes to comprehensiveness on the topic of health club operations, I would give the Thomas Plummer Company two-day Seminar an A. In fact, if I might find any fault at all, the Plummer Seminar that I attended with about 80 others, may provide too much material for the students of the two day seminar to absorb. Beyond the seminar, the Thomas Plummer Company provides for the seminar fee, two documents that are very valuable to the attendees. They are Thomas Plummer's book entitled: "Making Money In The Fitness Business" and his 2-day seminar workbook entitled: "Club Management for Maximum Profits." Beyond that, the Thomas Plummer Company has a number of other excellent education materials available to club operators.

Plummer began his two day seminar with this and I quote: "Here is section one. I've got all kinds of stuff for you. I have one simple goal today and that's this. By noon, if you are not leaning back, arms crossed and pissed off, then I'm not doing my job. My job is to irritate you and I am VERY good at that!"

Throughout Plummer's teaching he frequently laced his comments with the words, "Write this down!" to emphasize the importance of the comment coming

at that moment. I must have "Written Down" a hundred or so items as I paid close attention to try to keep up with Plummer's blazing pace. And, throughout the Seminar and particularly toward the end, Plummer frequently admonished us tired students with comments like, "Don't just sit there and stare at me! Pick up your pen and make some notes on this topic. It is very important!"

Here are just a few of Thomas Plummer's words of wisdom that I pulled from my entire yellow-pad full of notes. Keep in mind, the following information is just a small fraction of the vast amount of information provided by Plummer!

MULTIPLE PLUMMERISMS

•88% of the health clubs in America DO NOT MAKE A PROFIT! The owners of those clubs have just bought themselves a job.

•The reason why 88 to 90% of the U.S. population do not belong to health clubs is because we SUCK! They DON'T LIKE what we sell. 97% agree that they should be exercising regularly. 60% of the population is overweight or obese and yet we only have 10% or less as members of health clubs!

•Women rule. Yet, there are not enough health clubs in this country that are owned by women. 97% are male owned.

•The single biggest mistake the health club industry of America has made is that we have underpriced our product!

•Gyms are about the experience. Owners should be control freaks in their clubs, especially in the areas of club lighting, colors and sound.

•The term GYM is now BACK and is VERY COOL. Just ask Cosmopolitan Magazine.

•Do you know what your STICKY FACTOR is? What is the first thing that comes into your mind when I



Thomas Plummer In Atlanta

say the name PILLSBURY? That's right. DOBOY. So, how many millions of dollars have they spent to train you to say that when you hear their brand name PILLSBURY? That is their STICKY FACTOR. What is your club's STICKY FACTOR? What do people remember about your gym?

•The Spring of 2001 has been the worst Spring in the business since 1991!

•If you price your club membership too low, you could prevent the really good-financially qualified prospective members in your market from even coming to your club!

•Do you really think consumers believe you when they hear you advertise "We have the best of everything and the cheapest price!"?

•Did you know that cheap-low-rent people control your club dues price and you don't even know it!

•Most health club's price structure is too complicated. Price structure should be simple and offer only 2 options.

•Plummer's 5 Things You Should Do To Survive: (1) Use a maximum of a 12-month agreement. (2) Use a full-price close and renewal. (3) Realize that collecting your own dues is a rookie mistake. (4) Use a trial membership to bring people in. (5) Have a minimum of 4 non-dues profit centers that net at least 20% each.

•The #1 REASON why people buy a membership is the person they talk to.

•Your ultimate goal should be to have 100% of all of your club's expenses (rent and/or debt payments included) covered on the 1st day of each month by EFT and other monthly dues collections. Only 3 to 5% of all clubs are there!

•If less than 10% of your members are using an amenity or service in your club, get rid of it! A
(See Plummer page 26)

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...Motta

continued from page 12

Q. How many physical therapists and massage therapists do you have on staff?

A. We have 15 physical therapists and about 80 massage therapists.

Q. How about personal trainers?

A. Well, it is hard to say exactly. Do you remember those people you saw at the Morgan Stanley fitness facility? They are all personal trainers. But, they are also what we call Exercise Specialists. All of our staff do some level of personal training. That is because everybody that joins one of our clubs gets evaluated and if they don't already have a workout program, we write one for them at no additional charge.

Q. What they really are is part manager and part personal trainers, right?

A. That's right. If you looked at their schedule, you would see that most of our staff spend a portion of their time doing personal training, a portion of their time working floor supervision helping people with their programs and a portion of their time doing administrative work.

www.myfitnessexpert.com

Q. Tell us about your Website: www.myfitnessexpert.com that you showed me at Merrill Lynch? What are you doing with that?

A. Once we have conducted the assessment for a member and have written up their program, we put the program in our new www.myfitnessexperts.com Website. This enables our members to access their workout programs at the facility, at work or at home.

Q. How long have you had the myfitnessexperts.com program in operation?

A. Just four months now. We had hoped that it would be a little bit more popular at this time. But, we decided to hold back on retail marketing for it for the time being because of the downturn in the Internet economy. Plus One is not solely a 'virtual company.' What we were building was really an online Internet application for our trainers to use in all of our facilities like the Merrill Lynch center. That's where we really are measuring our success with myfitnessexperts.com. And, we also are marketing it to retail users and we have a few retail members that are getting some good gains on it. But, we really haven't gone out and marketed it to the general population users yet.

Q. What is the cost for a retail user of www.myfitnessexperts.com?

A. Only \$30 per month to get your own personal trainer who will build your workout and monitor your training for 30 days. It is economical. It is a little too cheap and we need to raise the price a little bit. But, it is new. So, you've always got to start low. It is a great application, especially for the trainers, because they get the experience with a tool that they can use to work with their clients. It is also terrific for those clients that can afford a trainer and for those that can't. We are now servicing 40 clients on our myfitnessexperts.com Website in 18 states. And, we only rolled it out 4 months ago! Of course, we need to have a hell of a lot more members to make it work for us. We've got to get the message out there.

Q. Do you operate your Website out of your offices in New York?

A. The actual computer development and training for the staff is done here in New York by our Plus One Interactive Team.

Also, our Interactive Division is now building an online enrollment processing program for our corporate clients. We are building a whole new application where if you are an employee of Merrill Lynch, Hopewell, for example you may accomplish the entire process of joining online! At Hopewell you already can have your account set up and your billing is set up before you go to the facility. You then can walk into the facility and have your assessment and program written up and you will be ready to go. We expect that facility to have 2500 members, so this has been done out of need and because we have the in-house development capabilities. The Internet can be a powerful tool. For example when we did our first enrollment for Merrill Lynch here in New York, we processed about 1,400 members in a couple of hours via the Internet.

Q. Mike, who are the key players on the Plus One Team?

A. The Plus One Management Team leads the way. They are fantastic and on a Day-to-day basis, this management Team runs the company in every way, shape and form. Our management team is really responsible for Plus One's success. I just help them stay focused on their goals and let each Team member know what the others are doing and how their efforts might positively effect their own initiatives. (See sidebar page #12). Norm, in 1999, we merged with Liz Neporent & Jay Shafran's Company, Frontline Fitness. This was an excellent move for both orga-

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nizations as we had different strengths and each had some great individual managers. The combination has really accelerated Plus One's growth.

Q. Mike, tell me about a 'typical' hotel fitness center management contract?

A. Well, there is really no 'typical' contract because each hotel client is unique. First, and foremost, we go into the hotel and make contact with the General Manager. We explain that we recognize his/her talent at running hotels and then we tout our expertise at running the fitness center. We explain that we will come into the hotel and become part of the hotel management team. This helps because as a department within the hotel it eliminates the 'rent' relationship.. We explain that we are seeking a contract to manage the health club and we ask them conceptually to figure out how much they want to charge their guests. We explain that we eliminate all the headaches because we know where to get the trainers from, the massage therapist, etc. Everything past that health club door will be excellently managed by our Team with no headache to the GM. We explain that all they will have to do is review the numbers every month. The biggest factor is that

when their hotel guests come in, they are used to experiencing professionally operated health clubs everywhere they travel. And, another factor is that Spa services are so popular now at this point in time, getting a staff of massage therapists to come in and serve the guest is huge challenge that we handle for the hotel as well..

As to compensation for us, there is typically a base-management-fee, but because we are considered a department of the hotel, we submit an annual staffing budget and we bill the hotel for that staff. Their staffing needs are immense because they're open 365 days a year, around the clock. Then there is incentive to perform that is a percent of revenue from different services that might include spa services, personal training, massage services and even memberships, if the facility is capable of handling memberships. So, that is typically what happens in a hotel contract.

Q. Do you have a Spa Department just as you do other departments?

A. Yes, we do. We have a Department Director, a staff of about 80, who are mostly part-time. My wife Lauren is the Director of Massage Therapy & Spa Services and she develops many of our excellent spa services in

each site. More importantly, she hires excellent clinicians and keeps them around for a long time.

Q. Mike, if you were teaching a course in college called Corporate Fitness 101, what would the typical financial profile be?

A. For a contract it would be cost plus. You go in and indicate what you are going to provide. You then charge whatever the cost to run the facility plus a negotiated percentage above that amount that includes your corporate overhead, administrative costs plus profit. Our goal for the percentage is 30%. Then, there will be a performance bonus based on a lot of different criteria (for example, membership satisfaction, utilization, programming, reporting). It is in effect a year-end bonus. Corporations are very familiar with "pay for performance" and they understand and appreciate this facet of our compensation proposal. The fees for the ancillary services such as massage, physical therapy and personal training are a bit more risky, but the upside is great when utilization of these services is high. So, we try to balance it out with the primary areas of compensation.

Q. What is your vision for the future of Plus One?

A. Our vision for the future of Plus One
 (See Motta page 24)

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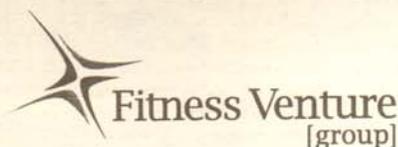
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...Motta

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ture right now is really revolving around focusing on everything we've learned from the past and trying to enjoy the experience of the present. It has been coming at us pretty fast for the last few years. Our future wish includes the luxury to pick the right clients that will allow us to staff the facilities with professional people. That is the hardest part, juggling the opportunities for growth with the opportunities for the right growth that stay within our skill sets. And, our skill set really is providing professional staff and programs. Our vision includes growth within the models that we have for corporate, hotel, residential and the hospital clients. We are not moving toward the commercial side. We are not going out and building commercial facilities that we are going to run for ourselves. So, our vision is to continue to grow within the management contract sector with clients who want to have physical therapy, personal training, massage therapy, etc. In five years we would like to have another 20 or so sites that fit these models. In 10 years, we would like to grow regionally, making sure that we don't get too far spread out so that we can maintain personal touch management. Our goal is to make a 2000-member club feel like a 400-member club in terms of service and . to make a 500-employee company feel like a 50-employee company.

The Plus One Mission Statement is:

• To consistently address the unique needs of each Plus One client, member and patient by providing the finest care available and world-class service. **Care and**

Service Rule.

• To create a positive, professional, enriching and supportive working environment for every Plus One team member. **Make Yourself a Nice Place To Work.**

• To balance the science of healthcare with fun and motivating programs. **Juggle Some Serious Fun..**

• To offer comprehensive health services that set the industry Gold Standard for safety, effectiveness, professionalism and cutting edge creativity. **Strive to be the Gold Standard.**

Q. Any idea how many members you have in all of your corporate clubs?

A. Right now we are between 18 to 20,000 and by the middle of next year we will be at the 25,000 member mark. That doesn't include the clients and patients we service for physical therapy & spa services.

Q. Mike, you've got to be one hell of a manager to keep all of that straight!

A. Norm you know what I have learned to do? I find good people and I try hard to stay the hell out of their way! We have great people at every level . As we've grown, we've stayed inside our skill set. We've been able to attract and keep really good people. Like attracts like.

Q. Earlier in our conversation you mentioned the 'tight-profit margins'. Can you explain that?

A. Sure. When you are in a low-volume operation, which we are, and in a fee-for-service situation, you can't make very many mistakes. When you deliver people to clients on a sched-

ule like personal training, massage therapy, and spa services, the margin for error is small. We want staff retained but the longer people stay with you, the more it costs to keep them. Sometimes the ability to raise rates does not keep up with the raises required to keep these same staff motivated, especially in a city like New York. With all that said, we spend about 68% of our revenue on staff but that's our business and we are continually re-inventing our programs & services to thrive in this business. .

Q. Mike, what would you estimate the total annual revenue of Plus One to be.

A. By the end of this fiscal year, we should be somewhere between \$12 and \$13 million. We are growing at a rate of between 12 to 25% per year, every year.

Q. What professional organizations do you belong to?

A. Our clubs, of course, are members of IHRSA. For myself, I am very active in the American College of Sports Medicine. Also, I'm a member of the National Strength and Conditioning Association. I am also a member of IDEA.

Q. How has IHRSA impacted your business?

A. First, and foremost, we learned a lot from IHRSA. It got us thinking more about how to run our facilities like health clubs. We originally didn't think we were in the health club business. We originally thought we were in the rehab/personal training business. What IHRSA did for us was to open our eyes up to a professional approach to marketing on a larger scale. When we started our little 1600 sq.ft. Soho

place, we only had a couple of hundred members. So, we never saw how an organization that services clubs with from 2,000 to 10,000 members could really relate to us. We were thinking more about the clinical side as opposed to the business side. So, IHRSA really opened our eyes to how to run our business and how to look at other people that are really in the same business and see how they do things. The other area where IHRSA has impacted our business has been with how John McCarthy, IHRSA Executive Director, has provided such encouragement and support. John has been really helpful in introducing us to other people and has given us coverage in his publication, CBI. John is a hell of a guy. He has been very supportive.. The other thing about IHRSA is the educational component of the Conferences and Trade Shows. IHRSA Trade Shows have really replaced a lot of other venues. If we need to learn about and buy equipment, we go to IHRSA. That's where we look. We figure out when and where the IHRSA Trade Show is and we go there. (Motta's new Merrill Lynch facility in the World Finance Center in NYC looks like a trade show for IHRSA products with a number of the leading brands in large numbers there!)

Q. Mike, what advice would you give to anyone that is stepping into the corporate/hotel niche in the fitness business?

A. I have two suggestions for sure: (1) Start at the top. Go to the decision maker of the corporations you are targeting. This will be the Presi-

dent or CEO. Sell them on how you can help them establish or maintain their program and how that will change their employee's fitness and thus their quality of life. Educate them on what their competition is doing in this arena. Once you have sold the boss, the rest will fall into place a heck of a lot easier.. (2) Know in detail what you're offering and how you can deliver it. In other words, develop and be able to deliver a professional sales presentation on your organization and how your features can benefit their company.

The niche of corporate and hotel fitness centers, physical therapy, personal training and spa services is one that Mike Motta and his Plus One Team have focused on with great success in the 'Big Apple'. But, it is important for our 'up and coming' readers to realize that 'Rome Wasn't Built In A Day' so to speak. So, as you move forward with your thinking about 'niche' markets, be sure to realize that you should start with your strongest area of talent and experience and work up from there. And, remember that "stick-to-it" attitude of Mike Motta when you do!

(Norm Cates, Jr. is the Publisher and Editor of The **CLUB INSIDER** News. Cates is a 28-year veteran of the health, racquet and sportsclub business. Cates was the 1st President of IHRSA and a Co-founder of the Association in 1981. In March, he was honored by IHRSA with its **DALE DIBBLE Distinguished Service Award**. In June, Cates was named the **International Fitness Journalist of the Year** by the **Italian Fitness Federation**. He may be reached at: clubinsidernews@mindspring.com)

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...Eckelbarger

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pending on the file size, it may take several minutes for the email to open and because of the amount of time involved, a lot of people will not bother waiting for the file to open to review it. Therefore, I do not recommend using this method for sending a marketing message via email.

Enrolling employees online through companies

This feature is now available and provides for the ability to enroll employees online

through your website. You can do this a couple of ways: 1) The employees that have a company paid membership can fill in their membership form online and submit for their temporary membership card, 2) If the company will not be involved in paying the club directly, you can send an email that has additional links for the employees to click on and enroll online via credit card or checking account. What you would need to do is send an email to the contact person in the company and then they would send a broadcast of your email to all of the employees in the company! Is this a great way to get in front of prospects that are truly qualified buyers or what? Even if the response rate is low, you are getting

...Plummer

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prime example- childcare. Most of you could drop childcare and not hurt your business at all.

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- Hire and keep intelligent people. Life is too short to work with idiots!

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•Trial Memberships solve the objections of: time, spouse and money. Trial memberships switch the emphasis from sales to operations.

•On Profit Centers: (1)

your message in front of people and letting them know you are in business to help their exercise and wellness needs along with developing your brand name. Plus, your email will be there for them to go to until they decide to delete it. The investment for having this technology is very affordable and available. Enrolling employees online would require having a link on your survey that prospects can click on and go step-by-step through the enrollment process and then submit the transaction to you by email. You will need to create forms for the new enrollee to fill in their information. The form should look just like your membership agree-

They generate higher rate of returns per member. (2) Your goal should be to have at least 4 profit centers that net 20% or more net profit per year. (3) Profit centers help clubs eliminate dependence on new sales. (4) Your goals should be to have 40% of annual sales

ment. Once they have submitted the form and it transacts, you can email them a temporary membership card. You will also be able to do this for individuals that would prefer to enroll in your club(s) but do not want to go through a salesperson. The investment can be offset by having to pay less in commissions for sales and not having to worry about any miscommunication about what the salesperson said. Therefore, you will be developing a more consistent sales message for your corporate prospects and they can avoid having to deal with a salesperson. Whether we like it or not, some consumers do not like salespeople and this is a good solution for them. In closing, I strongly

from profit centers. (5) Profit centers will not work without providing your members with access to credit. Use prepaid credit accounts or use the new Smart Card machine. (6) The secret to profit centers is promotion.

•Group exercise is coming back big-time. We killed aereo-

recommend that you do not miss out on this wonderful opportunity to market your club(s) to companies, the longer you wait the more revenue you will be losing. I say this because the investment in having a website is more affordable now than ever. You will also create a cutting edge image that your club(s) is setting the standard for your community.

(Arman Eckelbarger is President of Company Wellness Plans, Inc. a Tampa, Florida-based club consulting firm. Arman may be reached at (727) 372-3882 for more information about this exciting technology or visit his website at www.companywellnessplans.com.)

bics by our instructors making it too complicated.

- On membership sales: (1) Standard closes don't work anymore. (2) 70% need more than 2 visits. (3) Phones are out. Email is in. (4) Use hand addressed, not labeled items for direct mail.

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Throughout the two information packed days, Thomas Plummer made the class fun by lacing his teaching with true stories of experiences he has had during his career. Two of my favorites were: (1) The Worst Health Club In the World and, the other was (2) My Only Fight In the Healthclub Industry.

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The Thomas Plummer Company Alliance sponsor messages appeared on pages 20-24 of this edition and on behalf of the club industry, we thank them for their support of this excellent educational effort. For information call: 800.726.3506

(Norm Cates, Jr. is the Publisher and Editor of The CLUB INSIDER News. Cates is a 28-year club industry veteran and was the 1st President and a Co-founder of IHRSA in 1981. In March, 2001, he was honored by IHRSA with its DALE DIBBLE Distinguished Service Award. In June, Cates was named the International Journalist of the Year by the Italian Fitness Federation. He may be reached at: clubinsidernews@mindspring.com)

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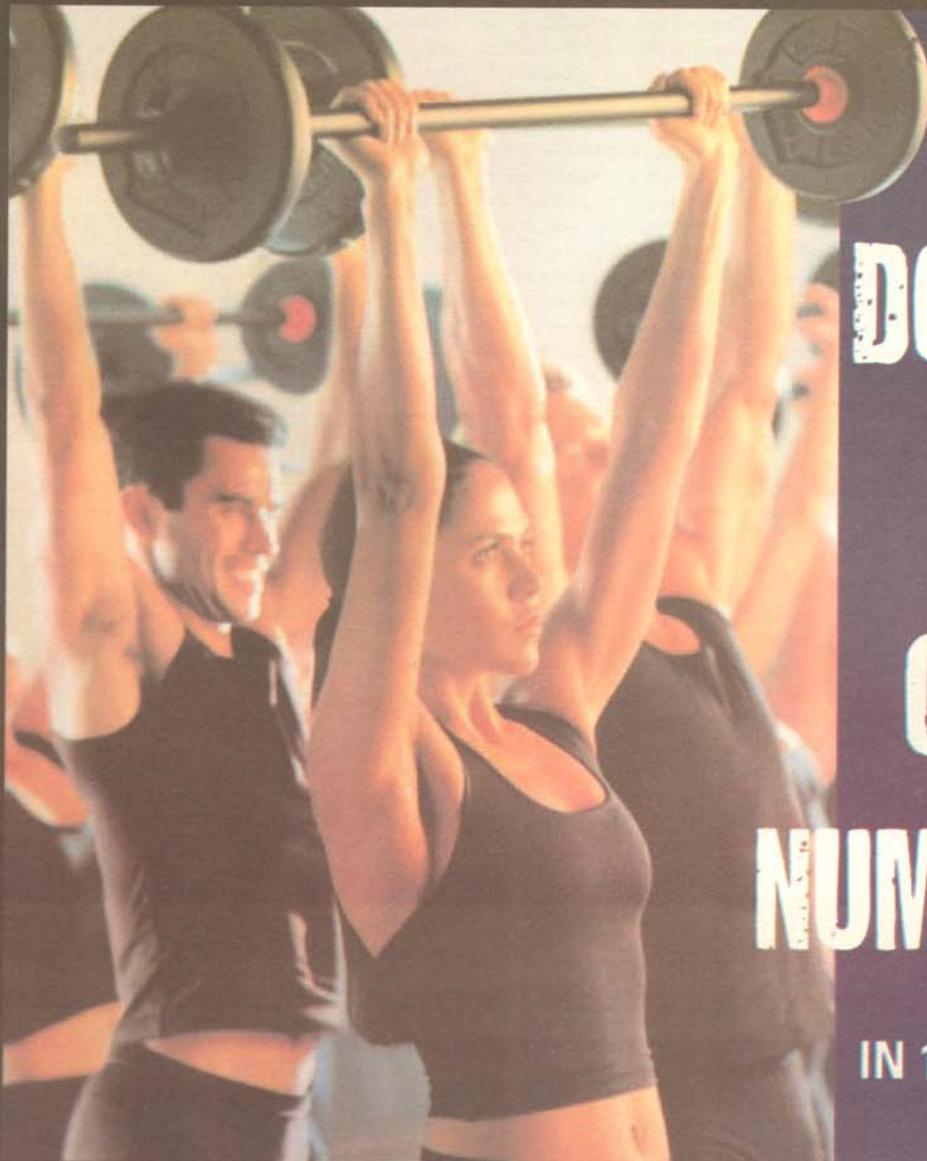
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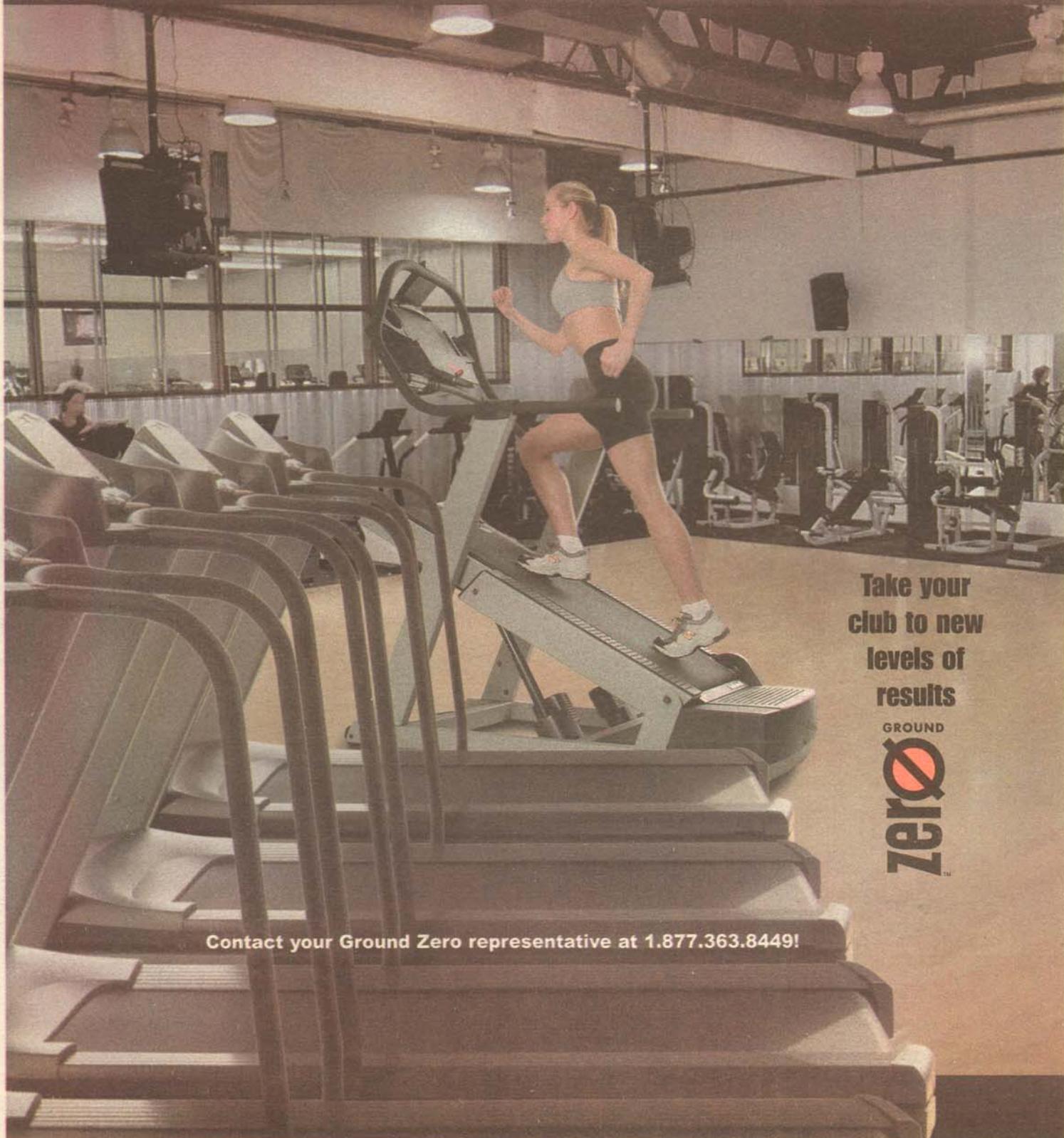


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