

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

TRUST

AUGUST 2009

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Norm Cates' CLUB INSIDER™

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

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TRUST

By: Norm Cates, Jr.

Publisher's Note: This is the transcript of a speech I delivered on **August 18th** at the **National Fitness Trade Journal Conference** in Reno, Nevada. To follow along, please go to **www.americanhealthclubs.org/trust** to download the presentation's PowerPoint.

Slide 1: August 2009 Cover Story

Mornin' everybody!

I bet many of you are wondering what I'm going to say in this talk about Trust, and if I were you, I'd be wondering, too.

Since the title of my presentation today is, "**Why Building Trust In Your Community Is The Key To A Great Future For Your Club,**" you might think the answer to my question is obvious. But, it's not.

Today, I will be telling you the truth about the status of our health and fitness club industry, as I see it. I may offend some of you with what I say, and if I do, I apologize in advance. But, I predict some real "**AHA moments**" for some of you. Regardless of the outcome, I am going to say my piece to help every one of you in our industry, whether you're a health club or

fitness center owner or a fitness industry vendor.

I'm going to discuss industry issues that are impacting new membership sales in the United States and what we can do about them. The sensitive subject of Trust has never been addressed in our industry the way it will be here today.

But, before I get started, let me say a couple of things. First, please hold your comments, all questions and all cussing until I've said my piece. And please, turn your cell phone off now.

I trust you will be energized as I attempt to achieve several things:

1. I'm going to discuss the idea of insurance to protect people who are members of health clubs that close, and I'm going to explain why we're stuck with the Churn* as a large part of our new membership source. Then, I'll explain why escaping the Churn is necessary for club success in the future.

*For folks who are new to our industry, welcome aboard! The "Churn" is the practice in which our industry continues to attempt to supply itself with needed new customers (a/k/a members) by taking away customers (a/k/a members) from other clubs, i.e.

everyone is fighting over the same pool of potential members.

2. I will explain "Benefits" marketing and how it should be used to focus on non-members instead of "Features" marketing that tends to draw existing club members.

3. I'll tell you how to go about building more Trust in the minds of the citizens in your community, especially people who are not currently members. You will receive some new tools for new member prospecting and recruiting, so you can leave here (See **TRUST** Page 10)

Murder Strikes the Health Club Industry

As originally reported on **August 5, 2009** at **www.clubinsideronline.com**:

BRIDGEVILLE, PA - A 48 year-old man, George Sodini, reportedly driven mad by a lifetime of failures with woman, sprayed a LA Fitness group exercise room full of women with an estimated 50 bullets from several guns. Three women were killed, and at least ten more were wounded and are recovering in local area hospitals. Sodini then turned a gun on himself. The scene was bizarre as the gunman, carrying a gym bag with four guns in it, entered the group exercise room, turned off the lights and started shooting. Reportedly, there was a note in his gym bag, but the content

of it was not released. Writings found on his blog exposed his anger and frustration with his failures with women during his adult life. The LA Fitness was closed until further notice the day after the shootings. Reportedly, blood was "all over the place." Sodini's blog also disclosed that he had planned this mass murder back in January, had taken his guns to the gym but had "chickened out."

CLUB INSIDER hopes that the public will chalk this tragedy up to the risk of living in modern-day America and not blame our industry... remembering the tragedies of **Virginia Tech, Columbine** and other mass shootings in the past ten years. See **Norm's Notes Page #4**.

ATV Accident Kills

ABC Financial's Mike Millican

See Norm's Notes - Page #4



Randy Ivey Joins ABC Financial

By: Norm Cates, Jr.

Randy Ivey joined ABC Financial Services on July 1st, and we wish him well working with ABC Founder, Jim Bottin and President, Paul Schaller.

Contacted recently, Randy Ivey said, "I'm excited to be with the ABC Team. ABC Financial has a tradition of excellence, and I'm very much looking forward to building on that tradition in a time that ABC is expanding its presence."

ABC is a great company and

Founder, Jim Bottin's story is an amazing one. Jim began his industry involvement in 1974 when, after leaving the U.S. Military, he came back home to Arkansas and opened his own martial arts studios. In 1979, he began to expand those studios into fitness centers. He needed a solution to the software and billing needs of his chain of 13 health clubs, so he founded ABC Financial in 1981. Jim had created a very specialized solution for himself as a private club owner, and it was so effective (See **Randy Ivey Page 7**)

Inside The Insider

- The "INSIDER SPEAKS" - 10 Ways To Build Trust Of Your Club In Your Community - By: Bonnie Pfister
- Catching Up With Cary Wing, Ed.D. - By: Norm Cates, Jr.
- If People Say "You're All Wet," It May Be A Good Thing! - By: Sandy Coffman
- Teens Impress Fitness Executives with Interest in Physical Activity
- L&T Fitness On The Move After 25 Years!

Norm's Notes: •A Beer Summit... •Condolences to the Family of ABC Financial's, Mike Millican •Murder Strikes the Health Club Industry •Industry Tragedies of the Past •Award Recipients at the National Fitness Trade Show •Clubs for the Cure Launches "12 Days of Fitness" •Planet Fitness Continues Its March •Welcome Back to Karen Woodard's Premium Performance Training •Welcome to Contributing Author, Derek Barton •Welcome Back to Contributing Author, Bonnie Pfister •More Ammo for the Battle Against Obesity •Fitness Management Group Files for Bankruptcy Protection •Lemond Fitness Resolves Litigation With Life Fitness •Advice Verified •Medical Fitness Association Launches Career Link •Correction!

Norm's Notes

• **Hello Everybody!** This is your **CLUB INSIDER Publisher** Since 1993 and **Tribal leader** checking in! Let's hit the news! For all of you reading this in Reno, Nevada, I hope you attended and learned from my presentation entitled, **"Why Building Trust In Your Community Is The Key To A Great Future For Your Club."** Stay Tuned!

• **A Beer Summit... Is America** a great country or what? **God bless America!**

• Our sincere condolences to the family of **MIKE MILLICAN** and to all at **ABC Financial Services** for their loss as Mike died on August 1st from injuries he sustained in an ATV accident. 32 year-old Millican was a **Senior Business Development Executive** and 15-year **ABC Financial Services** veteran. Mike leaves his wife, **TONYA**, and two small children, ages 3 and 5.

• Sadly, I write today about **GEORGE SODINI**. He was the man who shot nine people, killing three, and then shot himself at an **LA Fitness Club** in a suburb outside **Pittsburgh, Pennsylvania** on **August 4th**. Killed were **LA Fitness** members **HEIDI OVERMIER**, **BETSY GANNON** and **JODY BILLINGSELEY**. Reportedly, Sodini committed these murders and killed himself because he had failed with women his entire life. This is such an awful story. Not that the American public is

going to blame our industry for what this man did, but this story had legs as all three major TV Network News covered it several nights in a row. To the contrary, I believe and sincerely hope people will chalk it up to the risk of living in modern day America... remembering the tragedies of **Virginia Tech**, **Columbine** and other mass shootings in the past ten years. Additionally, this was not the first mass murder in a health club. Check out the Note below about the shotgun shooting that happened in **El Cajon, California** at one of **RAY WILSON's Family Fitness Centers** in 1993. And, there have been several other shooting incidents in the past. Suffice it to say, I hope this month's cover story entitled, **"Trust,"** will provide you with many ideas and tools to build more Trust of your club with the citizens in your community. Pure and simple, any business, a health club or a hot dog stand, is much better off having more Trust in the marketplace, but I sure didn't expect to be publishing this article on Trust just a couple of weeks after these awful murders.

• In **October, 1993**, the month before **CLUB INSIDER** began publication, **RAY WILSON's Family Fitness Center** in **El Cajon, California** suffered a similar attack by a 19-year old man, **JAMES M. BUQUET**, who used a 12-gauge shotgun to kill four people and then kill himself. According to the **Los**

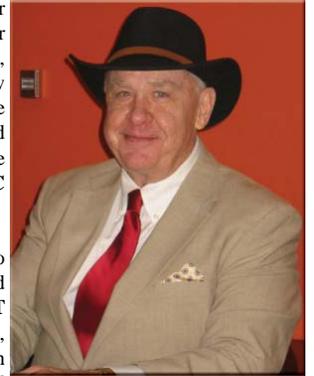
Angeles Times, **LEE BOYD**, an employee at the club and son of one of its owners, said a fitness center was the last place that he or anyone else ever expected such a massacre to occur: "Who can imagine a tragedy like this in a health center?" said Boyd, 24. "This is where people who are concerned about nutrition, their bodies and staying healthy come. This is a place for people who want to live a long time." On a positive note, it was also reported by Boyd that "the first opening day, we had 60% more members come back to work out than on average, and we sold the highest number of memberships in a single day than we had in the last 90 days. Some new business customers came down and said, "We were thinking about buying one already, and we wanted to show our support for the company and the community." So, hopefully the **LA Fitness** and other health clubs in the **Pittsburgh** area and around the country will not suffer from a loss of business due to this **LA Fitness** shooting tragedy in **Pennsylvania**.

• **Congratulations** to **MARK MASTROV** as he will be honored on **August 18th** with **WALLY BOYKO's National Fitness Trade Journal Lifetime Achievement Award**. Additionally, congratulations to **JOHN SALVITTI**, **SCOTT FRASCO**, **MICHAEL ROJAS** and **JOHN GUELZOW**, as they will receive **NFTJ's Distinguished Service Awards**. I'm

also pleased to announce that our cover story subject for September will be **MARK MASTROV**, and we will be able to review memories from one of the greatest club operators ever and find out his plans for the future with **Crunch Fitness** and **UFC Gyms**. Stay Tuned!

• Let me direct your attention to our center spread, **Pages #16** and **#17**, where we are helping **PAT LAUS** and **KEVIN McHUGH**, of **Clubs For The Cure**, launch their brand new website and the new, worldwide **"12 Days of Fitness" Campaign**. This campaign should help clubs generate significant new member traffic between now and Christmas, while at the same time, raising money for **Augie's Quest**. Augie's goal is to raise **\$30 million** and find the **Cure for ALS**. This special **"12 Days of Fitness"** initiative is a terrific, time-tested program that was originally created and used in clubs back in the 1980's by **Sales Makers**. Folks, for those of you who don't know Pat Laus, you should introduce yourself to her at a convention. Her story is amazing. She was married to a guy long ago who was a big-time New York stock trader and found himself in jail for illegal activities. She ended up owning a 12-court racquetball club that was in ill repair and just about out of business. Since then, she's built that club, now called **The Atlantic Club in Manasquan, New Jersey**, to a **45-acre mega club** generating more than **\$35 million a year in revenue!** In a recent conversation, Pat told me she's very excited about the installation of the **Paris Speed School** in her club, and they are doing great with it already. I recently listened in on **BILL PARISI's** webinar, and I can see why Bill's finding great success. I'd summarize the reason in one word: **Passion. Stay Tuned!**

• **Planet Fitness** had a tremendous turnout and great results from their **July 28th Discovery Day in St. Louis**. The event provided special time for prospective franchisees to come and learn all about Planet Fitness. Also, Planet Fitness just announced that it was



Norm Cates

expanding into **Canada**. More news from **MIKE GRONDAHL**, **Founder and CEO**, is that the **Planet Fitness** in **Brooklyn, New York** now has **\$370,000 per month coming in on EFT!**

• Welcome back to **Karen Woodard's Premium Performance Training**, as she rejoins the **CLUB INSIDER Advertising Team**. You can see the new **Ad for Premium Performance Training on Page #22**.

• Welcome to **DEREK BARTON** of **Barton Productions** as a new **CLUB INSIDER Contributing Author** with his first article entitled, **"Brand Passion: Advertising and Branding That Works,"** appearing on **Page #24**. This article is a follow-up to Derek's **IHRSA 2009 Convention** presentation. Derek Barton is one of the most sought after speakers and teachers in the industry, and we're happy to have him on board with **CLUB INSIDER**. Derek will be helping our industry with a series of articles on branding, advertising and customer service, and this month, we hope you read and enjoy his article.

• **STEVE PFIESTER**, the husband and partner of **CLUB INSIDER Contributing Author, BONNIE PFIESTER**, (See **CLUB INSIDER's June, 2009 Cover Story**) has created a five-minute treadmill workout that gives treadmills a whole new use and value. Steve's workout elevates his heart rate to 164 BPM! Check it out by going to **www.stevepfiester.com**. Be sure (See *Norm's Notes Page 8*)

Thank You!

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The "INSIDER SPEAKS"

10 Ways To Build Trust Of Your Club In Your Community

By: Bonnie Pfister

1. Be trustworthy. The foundation to building trust in your community completely depends on the company head. Whether it be an owner, club manager or a management team, your club cannot afford to have someone leading your staff, and representing your company, who is not trustworthy.

I know this sounds elementary, but I've seen too many great owners allow bad management to ruin their company. Often times, an owner will allow a manager to stay on even after hearing numerous complaints about the way they conduct business. Sometimes an owner will keep a person on simply due to pity, fear or convenience. Although it's hard work to find a replacement for upper management, having the right person for the job will pay off in the end.

On the contrary, I've also seen great clubs be ruined by their owners. If you are an owner and your primary goal is to make money, then my article may not be of much interest to you. I personally believe you

must focus on people, not dollars. As you invest in people, they will invest in you, plain and simple. No one wants to make a greedy man rich.

However, there is another option. The next best thing would be to step down in the public eye. Many good businessmen take a backseat and allow someone else to be the face of their company. This takes self-examination, honesty and humility but will reap a great reward.

2. Build Relationships. No matter who is leading your company, it is important your community knows that person's face and name. It is almost impossible for people to connect personally with a company name. People want a relationship more than a building and equipment. Relationships make people feel comfortable and that is an important step to gaining your community's trust.

There are several ways to build relationships in your community. The way we have built relationships in our community is by always being visible. Whether it's using pictures of my husband, Steve, and me in our advertising, writing

my fitness column, leading a warm-up for a charity walk or maintaining a blog, being visible is key to building relationships in your community.

3. Reach out. Not everyone has loads of money to give away to charities, but we can all give of ourselves. We contribute to anywhere between 75-100 charities, causes or events per year. Sometimes we give money, but most of the time it is in memberships, guest passes and our time. Anything we give is always appreciated.

Another way to reach out is to find ways to impact your community by spearheading your own fundraisers and special events. For instance, we offered a scholarship program for our youth boot camp this summer. It gave us great publicity as well as made several families very happy.

One of our most recent charity events, which we have going on now, is where we collect our boot campers "fat clothes" to give to charity like the Women's Refuge. Our members are thrilled to get rid of their bigger clothes and proud to have an opportunity to help others.

By thinking outside the box and creating exciting ways to help your community, you can build a press-worthy story while truly impacting lives. When your heart's in the right place, it's always a win-win-win!

4. Give unconditionally. Have you ever had a friend who offered his help, only to have him call you the next day asking *you* for a favor? When that happens, whatever he did for you becomes tainted and the same happens to communities.

You must realize people are always watching you, especially if you are successful. People perceive business owners to be rolling in the money, even if they aren't. We've had events where people just came to eat our free food and abuse our services without any intention of joining. Over time, however, people become surprised when we continue to give without asking anything in return. So much so, they share their experience

with friends or eventually spend money with us because their desire to show their appreciation.

Another important factor is the onlooker. Sometimes you will open your doors or do something for your community that affects people who will never enter your club, but that doesn't mean it's a failure. There are plenty of people watching your efforts, in and outside of the club.

Here is a perfect example. This is an email I received from someone in the community in 2005:



Bonnie Pfister

"Bonnie, I have to say that we have been in Vero since 1990 and have seen and watched this area grow. You and Steve, and Longevity, are a wonderfully positive addition and asset to this community. You are obviously very passionate about fitness and healthy well being for yourself and individuals in our area. It shows in everything you do, and for that, I say BRAVO! Hats off to you both for having enough guts to do what you do with such joy and positive spirit. We admire you both! Thanks again for 'being you' to all who know you!"

Vicki

Although I had never met Vicki, she became a big advocate for our gym. We wrote back and forth a couple times. Her daughter later won a membership in a pageant we supported and joined after her free membership ran out. Vicki finally joined last year. Since then, both have invested thousands of dollars in memberships and programs at our club. Not everyone takes the time to write emails to owners, but you can sure bet they are watching your every move.

5. Run honest sales. We've all heard horror stories of poor sales tactics and misleading marketing gimmicks. I believe these strategies are of the past. People are more knowledgeable and have more choices when it comes to getting fit. In addition, they don't want to feel uncomfortable, surprised or embarrassed. Straightforward marketing allows the consumer to have an idea of what to expect

so they can arrive confident and have a positive experience.

6. Use discretion. Enforcing policy is extremely important, but so is knowing when policy can be bent in order to build a relationship. On the contrary, bending policy all the time is unprofessional, so there must be someone who is able to lead with discretion.

Whether it is an accounting issue or membership matter, there is nothing that says "cold-hearted business person" better than when someone sticks to policy so much it severs relationships.

For instance, Steve went to the drug store to pick up some photos. I had already received email confirmation they were printed and ready for pick-up. When he arrived at the photo department, the employee pulled the photos and informed him he would not be able to get them for forty-five more minutes. You see, I was paying for one-day service and Steve was forty-five minutes short of the twenty-four hour service. If she would have used discretion, she would have given the photos to Steve and made a friend and lasting customer. Instead, we never went back.

Policies are set for a reason. They should be a standard guideline for employees to use in order to handle most situations effectively and consistently. However, when a policy is broken for the wrong person, not broken for the right person or delivered harshly to the point of offending someone, people lose trust and will let everyone of their friends know it.

(See Insider Speaks Page 7)

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16 Years and Counting!!!

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...Randy Ivey

continued from page 3

that it was quickly in great demand. ABC Financial experienced rapid growth and is now in over 3,000 health and fitness clubs across the country.

During the past 28 years, Jim Bottin learned from his solid foundation and successes of the past. He has seen to it that ABC has stayed on the leading edge in the evolution of service and technology, while never losing sight of and always providing the highest level of commitment to ABC customer success.

ABC's website says, "We believe our customers should have no expectation below the highest standards. Maintaining these expectations of ourselves is what makes us the industry leader in our field."

Best Wishes to Randy Ivey at ABC Financial

Randy Ivey spent 12

years working with Aphelion, CheckFree and Fiserv, the company that acquired CheckFree. His job as Director of Marketing at Fiserv required that he be constantly vigilant and in touch with the pulse of the health, racquet and sports club industry. Randy achieved that and much more; however, Fiserv made the corporate decision to turn over marketing to an advertising agency, so Randy left Fiserv in June.

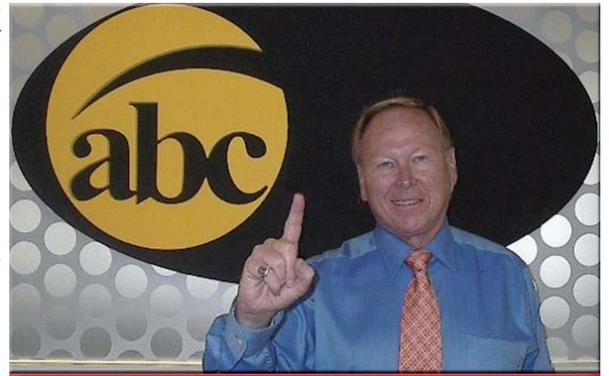
The day after Randy left Fiserv, he spoke with Paul Schaller of ABC Financial about joining their growing Little Rock, Arkansas-based company. Randy was offered and welcomed the opportunity to join ABC and started on July 1st.

Randy said this about ABC Financial, "Over the years that I have spoken to club owners using ABC Financial, two comments have always stood out: (1) The close relationship ABC maintains with every club, regardless if it's a multi-

club chain or a single smaller facility and (2) The high level of Trust club owners have in ABC Financial handling their money and their members."

For years, that Trust has been a hallmark of Jim Bottin's now 300+ employee ABC Financial Services Company. Moreover, ABC clients can Trust the company to know what their challenges are because Jim Bottin has the experience as a former, long-time health club owner and operator. So, Jim knows what club owners face, and he's still actively involved in assuring that they get top technology and service.

Randy Ivey also commented about ABC Financials PCI Compliance, "ABC Financial has quietly, without talking about it, been aggressively involved in PCI Compliance measures for their club clients, and this work dates back a couple of years. ABC has the highest level of PCI Compliance in the industry. The problem is that they haven't had anybody talking about that,



Randy Ivey

but that's one thing I want to do. Another important aspect of ABC Financial is the technology this company brings to their customers in their software. ABC Financial's software is extremely user friendly and has the functionality needed to manage a club. While competitors talk about software enhancement, ABC has already done it --Electronic Agreements with Multiple payment type-- last year's news

--Management Reports-- over 280 different reports are available to get the information you need."

CLUB INSIDER wishes Randy Ivey all the best at his new company, ABC Financial, and congratulations to Jim Bottin and Paul Schaller for putting a real industry asset, Randy Ivey, right where he belongs.



...Insider Speaks

continued from page 6

7. Protect your club family. Every club has had its bullies or "Negative Nellies." Although no one enjoys confrontations, lack of confrontation greatly affects your club's atmosphere and morale. Health clubs are already intimidating enough, and the last thing they need is someone to make members feel even more uncomfortable.

Your members and staff need to be able to trust you and know you have their back. I am proud to say I do not tolerate any type of abuse to my staff or members. Although your members may not see you ask someone to leave, they will notice something special about your club.

8. Become a fitness leader. When Steve and I first moved to Vero, we wanted the community to know they could trust us, not only as business people, but also as fitness professionals. This meant we needed to share our knowledge with the community. Even if an owner or manager doesn't have the fitness education or experience, every club must have their "fitness guru" who goes out in the public to represent their club.

Steve and I did most of the leading ourselves since education is our passion. We started with doing fitness tips on our local

radio and television stations. In addition to advertising, we began holding educational seminars at our club and opening them up to the public. We also called the local schools and offered to visit PE classes and speak to the PTA. It didn't take long before people began inviting us to their events. Finally, I was asked to write a weekly fitness column in our local newspaper, which has been very effective.

Every one of these opportunities gave us the chance to position ourselves as the area's top fitness leaders and allow the community to get to know us as well. Of course, there are other people in our community who know just as much, or even more, than us. The only difference is that we make ourselves more visible and available to our community.

9. Respect Your Competition. Nothing looks worse than bad-mouthing your competition. Our area has several amazing clubs all within a two-mile radius, each one with a unique niche. The same way there is a need for different churches with different styles of worship, there are different needs for health clubs, and you can't meet them all.

For instance, we had two ladies come tour our club. They told us they were making their rounds and had one more stop before making their choice. I spent quality time with both

of them and spoke highly of our competitors. Within thirty minutes, they returned and joined.

They couldn't wait to share their other club experiences with us. To my surprise, their deciding factor was how positive we were about our competition in contrast to how negative our competitors were about us. They said they enjoyed hearing what we did offer, instead of what our competitors didn't offer. Unfortunately for our competitors, they evidently spent more time on talking negatively about us than they did about what they had to offer their prospective members.

As a result, we had new happy members who felt good about spending money and time at our club. Although you can't always control what your members or employees say about other clubs, as a leader, you sure can set an example.

10. Don't Take All the Glory. You are nothing without your members and employees. The community loves a company that lifts up their employees and customers. Whether you are recognizing a member for their success or acknowledging an employee for their hard work, your community needs to know you appreciate your club family.

When the company leader is in the limelight all the time, like we are, it is even more

important to occasionally take the public eye off the leader and on to others. A good leader will be quick to brag on their staff and slow to take all the credit. As hard as we work, in the end, we are nothing without our employees and the members who continue to invest in our company.

Recognition can even be done on a small scale by personally bragging on your employees in front of members. This means a lot to both the member and the employee alike. Our pat on the back is not just a sign of appreciation but also our personal seal of approval to our members. It's totally a win-win-win.

Lastly, members need to be recognized as well. Providing event photos online, recognizing member's accomplishments, even outside of fitness, posting member's weight loss success stories and inviting members to be part of special club events makes members feel important, and they are!

In addition, taking personal time to say hello to members means more than most people realize. Even a hug can go a long way. Although I feel like I'm just Bonnie, and no one really that special, I'm still "The

Owner" which means something to the members and staff. When an owner or manager takes time out of their busy day to hug a neck, shake a hand or just hear someone out, it means the world to people.

Final Charge

While the economy is still unpredictable and tight, we can't afford to be lazy or offer average service. Service starts with building relationships, and the sky is the limit. I am sure there are other clubs that could teach me a thing or two when it comes to building relationships and trust in your community.

One thing I do know is that you can't be in this business and not have a heart for people. When you truly have a heart for people, it shows in everything you do.

(Bonnie and Steve Pfeister are the owners/operators of Longevity Spa and Fitness and Longevity Max in Vero Beach, Florida and were the subjects of CLUB INSIDER's June 2009 Cover Story. Bonnie may be reached at: longevyclubs@bellsouth.net)

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

...Norm's Notes

continued from page 4

to maximize your screen and look in the upper right hand corner for the video. Also, welcome back to **Bonnie Pfister** as a **CLUB INSIDER Contributing Author**. Be sure to check out Bonnie's article this month beginning on **Page #6** entitled, "**10 Ways To Build Trust Of Your Club In Your Community.**"

Because of the world class manner in which Bonnie and her husband, Steve, work within their community in all kinds of ways, I thought it would be great for her to write an article that would augment my cover story this month and would help you build Trust in your community for your club. She's done a great job on it.

• **ALLISON FLATLEY** is **Chief Operating Officer of L&T Health and Fitness in Falls Church, VA.** To celebrate **L&T's 25th anniversary**, Allison created "**25,000 On the Move,**" a special program to get members, and non-members alike, moving. See **Allison's Report on Page #26. Congratulations Allison and Team!**

• **More ammo for our industry** in our effort to help in the fight against obesity was delivered

on Monday, July 27th when it was announced that America's **additional healthcare cost for obesity was \$147 billion**, double the amount reported nearly a decade ago. Because of this report from the journal, **Health Affairs**, the spotlight is really being cast on America's battle with obesity and the **financial impact** that battle is having on America. I'm glad to see this translation is finally taking place because it will help **IHRSA** in its effort to help this industry with the legislative passage of both the **WHIP and PHIT Acts in Congress**. This report more than confirms comments made by **Governor MIKE HUCKABEE of Arkansas** in his **January, 2007 CLUB INSIDER Cover Story**. You really should read that interview if you've not already. It's on our website, **www.clubinsideronline.com**, so be sure to check it out!

The report that was released stated that **9.1%** of America's healthcare spending was because of chronic diseases such as diabetes, hypertension, heart disease, stroke and other obesity-related health issues. **ERIC FINKELSTEIN**, of **RTI International**, who produced the report, said, "**Unless you address obesity, you're never going to address rising health care costs.**" That's "telling-it-like-it-

is" and is also something all of us have known for a long time. What is it going to take to finally get the U.S. Government's attention and support of our industry, which in turn, could make a huge difference in America's health care challenges? I say go directly to **President OBAMA** and convince him to put in as much effort into lobbying the Congress to pass both the **WHIP and PHIT Acts** as he's putting into healthcare reform. Then, we might get somewhere.

• The always amazing **CASEY CONRAD** is on a "*discovery mission*"... a road trip tour of clubs across America to find unique and special clubs. She embarked on her journey on July 27th with her dog pal, **KONA**, and expects to finish in September. If you've not visited Casey on her website, **www.VisitOurClub.com**, you should. While online, you can invite her to stop by your club and see where she's been. Casey provides narratives on video about the stops on her trip, and she's also blogging. So, check it out! Good luck Casey as you finish your six-week trip! **CLUB INSIDER** will have a **Special Report** next month. Stay Tuned!

• **Fitness Management Group**, a **Charlotte, North Carolina**-based company and the parent company of **Peak Fitness Centers**, has filed for bankruptcy protection, citing the recession and problems that resulted from buying some Raleigh-area health clubs a couple of years ago. **Fitness Management Group** intends to continue operating and keep as many of its Carolinas clubs as possible open through the bankruptcy process, though a post

on the company's website says more closings are possible as it works through its reorganization. Four have closed so far, though, all in the Raleigh area. Reportedly, once the company completes reorganization, it will be acquired by **Fuzion Investment Capital LLC** a Nevada-based Limited Liability Company.

• Announced on **August 6, 2009**, **Lemond Fitness, Inc.** and **Life Fitness** resolved their litigation. It was announced that all outstanding disputes and litigation between the two companies have been resolved. Under the terms of the resolution, **Life Fitness** will continue to sell the **RevMaster** group exercise bike and provide service and support for customers.

• In Atlanta, **LORI PALMER**, the owner of **Fit Zone Atlanta**, formerly **Sonz Exercise Howell Mill**, has moved to a larger, warehouse-style training facility. At **Fit Zone**, trainers use the **CrossFit** strength and conditioning program. Lori commented, "As a trainer, I want to motivate others to make exercise a part of their daily lives through ever-changing routines based on functional and core-based strength training. As a **CrossFit** and **ACE** certified trainer, my goal is to help individuals make positive changes to lead them to a balanced, healthier lifestyle."

• Verifying advice I gave all of you right here in **Norm's Notes** about a year ago, I recently received this bulletin from **IHRSA**:

It's no surprise that the recession has hit retailers hard. What may be surprising are the real estate opportunities this is creating

for the fitness industry. A recent business article from the **Asbury Park Press** in New Jersey recounts that some strip-mall landlords are seeking out health clubs to fill empty retail space. Vacancy rates in New Jersey and across the country are high. Some landlords, who just a few short years ago turned clubs away due to parking concerns, are reaching out to them now. Clubs are taking advantage of discounted rents and some landlords are offering improvement dollars to further entice clubs to become tenants. "The health-club operators are very wise, and they are very entrepreneurial," said **CHUCK LANYARD**, President of **The Goldstein Group**, a Paramus-based real estate brokerage. "They recognize a window of opportunity."

• The **Medical Fitness Association (MFA)** has announced the launch of its new, interactive job board, the **MFA Career Link**. The **MFA Career Link** offers its members, and the medical fitness industry at large, an easy to use and highly-targeted resource for online employment connections, and it is open to both members and non-members to reach qualified candidates. Check it out at **www.mfacareerlink.com**.

• **Correction!** Our apologies to **HERB LIPSMAN** as last month, in his cover story, we erroneously identified three photos on **Pages #10 and #12** as having been of the **Fitness Center at the Royal Oaks Country Club** when, in fact, they were photos of the beautiful **Lakeside Country Club Fitness Center**.

• **God Bless America! God Bless You, Your Family and Your Club(s)! And, very importantly, God Bless our troops, airmen and sailors fighting for us "over there!"**

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

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continued from page 3

and go home and get started right away.

4. Finally, I'll tell you about some of the most well-trusted club operators in our industry and share some comments from each of them.

Club Closings Damage Health Club Industry Trust

Our industry is, like the rest of America, subject to the woes of the economy. Right now, we're experiencing club closings at a somewhat higher rate than we normally do. Suffice it to say, the *picture ain't pretty*.

It's important to know that virtually every time a club closes... *damage is done* to consumer Trust of our industry in the area where it happens. Sometimes the damage extends nationally. If the right things are not done, this damaged Trust will hurt new membership business for everybody in the area for some time.

The severity of the damage to our industry's Trust from club closings depends on:

A. What the closing club owner does and how,

and

B. What the competitors of the closing club choose to do.

Insurance for our industry image and reputation is available simply by those two parties, a club owner who is closing his club and at least one competitor of that owner, doing the right things.

So today, I want to suggest that, if and when you ever have to close your club or know somebody that must close, think of this speech and this idea of insurance for clubs that must close. Or, if you have a competitor that's closing, remember that both of you working together can insure less bad press, thus, less Trust damage from that closing. If you are the surviving club owner(s), you are the one(s) with the most at stake because you have more to lose, as well as much to gain.

The surviving club owner should make real efforts to help place the members of the closing club in his and other clubs in the area. That's because doing

so will minimize bad publicity and press. Remember, this idea will be better if more than one surviving club participates because spreading the member absorption from a closing club to more than one club also gives the displaced members better options to choose from. This lessens the potential for bad feelings, bad publicity in the press and damaged Trust for all surviving clubs in the area.

For sure, you can expect very good "word-of-mouth" PR among the adopted members that you take in, and a well-orchestrated "adoption" of all members by several clubs surrounding the closing club can give our industry a very favorable PR image, as opposed to the alternative which is negative for all in our business.

Club closings currently occurring with Bally Total Fitness in Indiana and Peak Fitness in North Carolina, for example, are clear Trust Busters in their respective markets, but Geoffrey Dyer is helping with his Lifestyle Family Fitness Centers in both States.

We are ALL in this together, and making this move now, and in a big way, will surely help our industry start the process of avoiding further damage of Trust because of clubs that close.

Slide 2: Comments From Geoffrey Dyer

Geoffrey Dyer summarized his thinking on opening the doors of his 55 LFF Centers to members from closing clubs with this email comment to me several months ago:

"Almost all have been cashed out. I have learned that this is a far better approach than resigning the 5-10% who join us on full rates than leaving 90% of the rest pissed off about health clubs for the rest of their lives!"

Geoff Dyer
 Founder, Lifestyle Family Fitness

Folks, this is both a prophetic comment and a one-line summary of how our entire industry should begin to approach all club closings. We should all resolve to limit PR damage from club closings.

Slide 3: Letter to Bally Members

LFF's Founder, Geoffrey

Dyer, has made arrangements for Peak Fitness' and Bally's members to come to the LFF Centers in their States. This is a very important industry move that should be adopted and expanded nationally.

Let's Beat the #1 Trust Buster In Our Industry... Club Closings!

Slide 4: Introducing www.americanhealthclub.org

I believe that solving the PR problem associated with club closings is so important that, today, I'm going to suggest the creation of what we call the **American Health Club Trust Alliance** as insurance for club closings. This alliance of club owners across the nation -- owners who join in to do the same thing Geoffrey Dyer has been doing with the exiled members of Bally and Peak Fitness-- could become a major force in our industry. Dyer's Lifestyle Family Fitness (LFF) has been accepting all former members from closing Bally and Peak Fitness clubs in Indiana and North Carolina, prepaid members and monthly dues members alike, into his LFF clubs. This could become a nationwide movement that could grow to become an important Trust builder and positive PR message for our industry. In essence, it *could become health club membership insurance* substantially eliminating the **#1 "Trust Buster"** in our health club industry... the closing of clubs without making membership transfer arrangements for the members of the closing club(s). Sign up to receive updates at

www.americanhealthclubs.org/signup.

Damaged Trust From Club Closings Is Not All We Must Overcome

Unfortunately, club closings are just *part* of the Trust-damaging events in our industry. Our industry's history is riddled with other events that have been Trust Busters, and they have been instrumental in keeping our industry dependent upon the Churn instead of attracting people who are not members.

Slide 5: Bally Cartoon from 1993

Let me give you some examples, and let's see if they ring a bell for any of you.

•How about Bally Total Fitness', long run of problems, including back in the mid-1990's when Bally had over 1,500 pre-sale consumer complaints filed against them in the Boston area before they even opened the doors of their first club there? How about Bally filing for bankruptcy twice in the past 2+ years and currently shutting down a number of clubs across the country?

•And, I'm sure you've heard about the recent events in Texas involving steroids sales in gyms and the recent bankruptcy of 17 Peak Fitness Clubs, resulting in the closing of four in North Carolina.

•Of course, I'm sure you have also heard about a Dallas, Texas-area LifeTime Fitness throwing paperwork with member credit card numbers into

dumpsters behind its location and subsequently being prosecuted by the State of Texas Attorney General's office for it.

•Then, there was the chain in Ohio, Tennessee and Kentucky I had shopped a few years back. The shop was tape recorded because the chain's reputation was that it was standard practice to tell all prospects to join their club because their competitors were going out of business.

And, how about these?

•The continued use of the "Retail Installment Contract," one of the worst industry reputation-damaging things ever created and used in our industry. Can you imagine how many Americans our industry has permanently turned off by suing them for a membership contract collection?

•How about the continued use of the "sales drop" to close membership sales?

•What about the continuation of "bait and switch" advertising?

•How about high pressure membership sales, including the infamous "Turn-Over" (TO), where a sales office is wired so the manager can listen in on sales presentations, then step in to perform a TO if the sale isn't being closed.

The list goes on and on, but I'm sure you get the picture. Suffice it to say, we have a lot of work to do in the PR world for our industry in the United States.

(See *TRUST* Page 12)

Joe Cirulli on Trust

Joe Cirulli is the Founder and CEO of **Gainesville Health and Fitness (GHFC)** in Gainesville, FL, a 65,000 square-foot, world class mega-club and also owns two other GHFC facilities. Joe has been in business for 34 years and is without question one of the best independent club owners in America along with Red Lerille, Phil Wendel and Mike Minton (Comments from each to follow).

Joe Comments on Trust

There is nothing positive that can happen without trust. It begins with a leader who has trust. In other words, in order to build trust, you have to possess the ability to trust others and other people's points of view. We can never build a powerful organization unless, first, our staff feels they can give different perspectives on issues without fear of retribution. When you have a staff that feels this, it will naturally extend to members and eventually an entire community. Trust is what builds a great brand.

Joe Cirulli
 Gainesville Health and Fitness



Joe Cirulli (Center)



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continued from page 10

We Know We Are Better Than That!

You and I both know that we, as an industry, are far, far better than the reputation we must fight in consumer minds every day. We, as an industry, are far more professional than the average American realizes today. Millions of Americans don't do business with us because of many old memories they may have or may have heard about from friends or relatives. We, as in industry, are struggling with an old reputation... one from the past, and to a lesser extent, a reinforced negative image caused by club operators who are still doing unsavory things. We *must* fix this. This is the PR game we must win!

However, until we, as an industry, make a plan of action and take the right course in pursuit of that plan, we're going to continue this struggle.

Mike Minton's Sportsplex, Building Trust With His Focus On Kids

Slide 6: Mike Minton's Sportsplex

This month, Mike Minton is opening the final section of a nearly \$7 million expansion of his Sportsplex in Texarkana, Texas. On August 31st, Mike will open Minton's Sportsplex Health and Wellness Pre-School and After School Center. He opened his new, and expanded, fitness center this Summer, and right off the bat, sold 488 new memberships in the month of June. His new school for children will serve 400 children at the rate of \$750 per month, and the kids will be involved in an educational pre-school curriculum with a focus on health and fitness. Mike Minton is a highly energized fellow, and his Sportsplex is a truly amazing operation, clearly, one of the most unique and differentiated facilities out of 30,000 in the United States (Stay tuned for a coming cover story on Minton's Sportsplex).

Like Mike Minton, Geoffrey Dyer is also building Trust from the ground up with kids. Dyer is now finishing his second Summer of opening his 55 Lifestyle Family Fitness Centers to teens in the afternoons with what they call the "Matinee Membership." LFF had 5,907

teens enrolled last Summer and nearly 11,000 this Summer.

Mike Minton and Geoffrey Dyer are blazing the way with the younger population and building Trust with them every day.

Our Industry Is Living Off the Churn

Let me make something clear. Some of us, myself included, have damaged our industry's reputation and its standing in the eyes and minds of American consumers during its short 65-year history.

That's why our industry is not a favorite of Americans, and a very high percentage of them, 84%, don't do business with us at all. That fact is embarrassing for all of us, and it has to change.

I submit, and strongly believe, that the lack of and damaged Trust in our industry is at least partially responsible for making clubs live off the Churn, subsequently preventing our industry from having far more members in the U.S. than we have right now (Currently 45.6 million, according to the 2009 IHRSA Global Report).

The American Health Club Industry Has Reached A Fork In The Road...

Slide 7: A Fork in the Road

It's important for all of us to realize that American health club owners now have a choice of two directions to go:

A. We can take the wrong path at the fork and continue our industry dependence on the Churn. Eventually, our industry will succumb to this problem. Keep in mind that Churn dependence has helped keep our penetration numbers stagnant at the 42 to 45 million range for the past 5 years!

or

B. We can take the right path at this fork and find a way to grow our membership by tapping into the 84% of the American population not currently doing business with us. By taking the right path, through targeted and focused efforts to build Trust and relationships with the non-member population, we can begin to grow our total industry membership again, and we will significantly reduce our long standing industry dependence on the Churn because we will be

attracting more non-members to our clubs.

"Features" Marketing vs. "Benefits" Marketing

Slide 8: "Features" Marketing vs. "Benefits" Marketing

It's important to know that the Churn process is partially caused by the use of time-worn "Features" marketing that fails to differentiate and does NOT make the advertised club stand out from all the rest. Instead, our industry should focus on "Benefits" marketing, which is essentially all about what the customer needs and wants and how your club can deliver those results, not what your club has.

"Features" marketing essentially attracts people who are much more likely to be current members of other clubs, thus the Churn continues.

An example of "Features" marketing is an ad that says something like, "We have 25,000 pounds of free weights, 25 treadmills, etc." You might as

well save your money with such ads because nobody cares how many pounds of free weights and the number of treadmills you have but you and the company that sold the weights and treadmills to you.

"Benefits" marketing will attract the right target... the unfit, non-exercising people who've finally decided to change their lifestyle through the establishment of a regular exercise program but are not currently health club members.

An example of "Benefits" marketing is an ad that says something like, "Our Medical Fitness Association (MFA) Certified staff is standing by to help you develop your new exercise program so you successfully achieve your fitness goals. We CAN help, and we DO CARE about YOUR results."

It's important that everybody knows and understands that our continued dependence on the Churn will do nothing but lower the average number of members in clubs across the land. This is not something I've dreamed up.

This is a fact, and the numbers are changing as I speak. According to IHRSA statistics, in 2000, the average number of members per club was over 1900. Now, it is less than 1,500 and falling.

How has that happened, you may ask? It has happened because our industry continues to build new clubs in places where they are not needed. They are not needed because an adequate supply of clubs, many already struggling, are already there. Therefore, the average number of members falls because the new club principally gains their memberships from other clubs, rather than attracting the unfit, non-health club members. This, in turn, drives down the average number of memberships in all the other area clubs as well.

The big chains, and way too many franchises, are most responsible for this overbuilding in America because their idea of demographic studies to determine the viability of a new club is to put on a blindfold and throw a dart at a map on the wall.

So, let me sound the (See TRUST Page 14)

Mike Minton on Trust

Mike Minton is the owner of Minton's Sportsplex in Texarkana, TX.

Mike Comments on Trust

As I think about Trust building, the first thing that comes to mind is you have to be conscious and make a commitment to build trust. Let's face it. The average person does not find exercise enjoyable or desirable. Due to this fact, we (the fitness professional) have to go the extra mile in the Trust building process! Over the past 22 years, we have consciously invested our time, efforts and money to give back and get involved in our community. From Free Health Fairs, to off-site events, to Special Olympics and an awful lot more. Even with all of that, the process of earning Trust came painstakingly slow. In this regard, many years ago, as a result of our desire and commitment to make a positive impact on our community, we abandoned our vision and mission from Adult Fitness to become a truly family-friendly facility and delivery system with an emphasis on children and youth.

To say that decision was the right move is an understatement! I attribute our success in part due to that decision, which separates us from the other providers within our market. Our soon to open Health and Wellness Preschool and After School Facility will be one of the first private-licensed schools of its kind. We are trying to make a difference in our community and have chosen to reverse the childhood obesity epidemic starting with one child at a time right here in Texarkana, Texas.

On the last Friday of the month, we host the Chamber of Commerce Business Breakfast. This past Friday, the topic was a legislative update with our Senator, Congressmen and State Representatives. I got this thank you in the mail this morning. It's from the current president of the Chamber and the Superintendent of our largest public school district. It read:

"Mike, thank you so much for hosting the Chamber Business Breakfast. The setting is perfect and your facility and staff are first class. You have no idea how much I appreciate what you do for this community. Your 'can do' positive attitude is contagious, and you are a person that I always enjoy being around. Good luck with all of your efforts and thank you again for what you are doing to promote the Chamber in this community. Again, I appreciate you." - James Russell Henry

Mike Minton
 Minton's Sportplex



Mike Minton

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continued from page 12

warning now. If our industry does not wake up and smell the roses, we could one day find that we don't have enough customers for the survival of many clubs. That is why building Trust and truly beginning to tap into 84% of the American population not currently doing business with us is so crucial.

Trust is the Ticket!

To break our industry dependence on the Churn, we must build relationships of Trust with more and more non-member Americans. We must identify and reach out to people who are not doing business with us. We need to reach out to at least 65% of the 240 million non-member Americans because that 65% represents people who are interested in exercise and qualified to join. There are over 150 million people in this group, all who are great potential members!

We must convince them that we truly care about them, their goals and their results. We must convince them that we are more professional than their Grandfather's health club was. We must convince them that we have a passion and deeply-held desire to help them. We must not sell them a bill of goods. If we can't walk the walk, we shouldn't talk the talk. We cannot fail to deliver results for them. We must have a deep, deep desire and passion to deliver the results we promised them when they joined, and we must build a new culture in our clubs so that all individual members of the staff are unified as one team on the same page with a focus and passion for delivering member results.

Look at it like this. This will be a lifetime challenge. The movement to use Trust to defeat the Churn and move towards attracting the 150 million eligible, non-member Americans will not happen overnight, but it will produce results once you define a plan for your business and begin to act on it every day. And, I mean every day. The keys are innovation in "Benefits" marketing, producing results for your members and dedication to this challenge.

The Churn is a health club killer. Granted, it is a slow killer, but a killer, nonetheless. In fact, the American health club industry is slowly, but surely,

killing itself with the Churn. The numbers prove it.

Therefore, this speech (and now, cover story entitled, "Trust") is intended to stimulate an industry-wide discussion, and then, an action plan on the topic that is of great and crucial importance as we choose which direction to go at this fork in the road. That topic is **Trust**.

The Before and After Picture As Americans Begin to Trust Us

Here's the *Before* and *After* picture I seek for our industry as a result of this movement toward earning more Trust for our industry.

Before: Today, we have a stagnant 16% penetration of the American population (45.6 million) with an average number of members per club just over 1,500... but dropping every year as more and more clubs are being built and fewer non-members join. And yes, I acknowledge the recession certainly is slowing new club growth.

After: My goal for our industry is 25% penetration (just over 71 million) of the United States population by 2020, with an average number of members per club of 2,400 and increasing every year.

To achieve these results, our industry has to learn how to build relationships with millions of Americans who have never set foot inside a health club. Getting to know these people before they are ever invited to a club and giving them something of value at no cost to them, such as knowledge about exercise and nutrition, will cause them to begin to Trust us. The Trust we build with them will slowly, one by one, give us a much greater chance to get them to come into our clubs for a brief visit. A brief visit can lead to a trial membership. A trial membership, with the person properly served, can result in that person, one who's never been in a health club before, joining.

With five years of membership growth stagnation in our industry, the importance of Trust has never been greater, and certainly, the L.A. Fitness tragedy will not help.

Plan Action Now!

Slide 9: Plan Action Now!

Start planning now. Here's a list of ideas to help you get started in building more Trust within your community:

1. Make a list of your competitors, names, addresses and phone numbers. Write a letter to them describing the **American Health Clubs Trust Alliance** (www.americanhealthclubs.org) and suggest a meeting to discuss joining together in this Alliance. Be sure to describe this as "Insurance" for all of your clubs in the event of anybody in the area closing their club. Ask for a phone call response. Call to follow up if no response. Make this happen. You have nothing to lose and a whole lot to gain!

2. Sit down and write down every idea you can think of that will help you introduce your club to people in your community who are *NOT* members of a health or fitness club. Check out **Bonnie Pfister's Article on Page #6**, where she provides "**10 Ways To Build Trust Of Your Club In Your Community.**" Additionally, sign up for **American Health Clubs Updates**, by going to www.americanhealthclubs.org/signup. Upon sign up, you will receive a free copy of **Will Phillips' "Generating a Waterfall of Leads... 125 Membership Lead Sources."** There are many non-member lead sources there and proper study of both Will and Bonnie's articles will give you a great deal to work with. **American Health Clubs (www.americanhealthclubs.org)** is a special website just for you where Will's valuable article (**CLUB INSIDER's August**

2008 Cover Story) is available without a paid subscription to **CLUB INSIDER**, but we urge you to subscribe! Go to www.clubinsideronline.com/subscribe where 18 months of our printed edition and over 50 archived online editions are available for only **\$89!**

3. **Go through your membership rolls** and find members who are involved in church and synagogue organizations, charity events, fund raisers, etc. Contact them and discuss how your club facilities might be used to help the causes these folks are involved in. Communicate in person and by phone. Make sure each of your communications states how your club benefits its new members (with weight loss, increased energy, better sleep, etc.) and offer to speak to their groups to provide health and fitness ideas that will help them. You know the benefits of regular exercise, now reach out for speaking opportunities to share what you know. Contact **Andrea Sobotka of Fitness Fundraisers (www.fitnessfundraisers.com)** for ideas on how to find good causes in your community.

4. **Get involved in community efforts** to help the sick and the underprivileged. Start by picking one or two good causes and take those under your wing. **Brian Evans of American Family Fitness** in Richmond, Virginia has a long standing relationship with the local Children's Hospital. The YMCA's of America have over 6,000 members per location, and a big reason is because of community relations. The 165

year-old YMCA's of America have America's Trust. We all need to learn from them. Remember Augie's Quest is the best cause our industry can be involved in. Check out the **Augie's Quest Article and Ad on Pages #16 and #17.**

5. **Keep your eyes and ears open** about what is going on with the competition in your area. If you get wind that a competitor could possibly close, *you* should be the *first* to approach that club owner to see if you might provide him with an alternative to putting his members in the street. Make every effort to build an alliance with as many clubs in your area joining together as you can arrange so **NOT A SINGLE MEMBER** of the closing club gets left out. You will be amazed at how much doing this will build the Trust of the citizens in your community and how this positive word-of-mouth will lead to more new members for your club. You can expect to gain at least 2 or 3 new members per exiled member you take in during the years that follow.

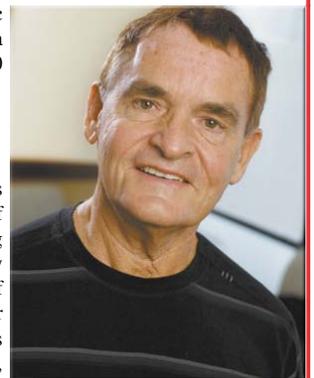
6. **Review the operation of your club business, and if necessary, consider change.** If you currently use Retail Installment Contracts, consider changing to Month-to-Month membership dues agreements where there is no penalty should the member decide to quit. This is a great advertising tool. The words "No Retail Installment Contracts" are magic to many consumers. For a 12-month term, charge a reasonable upfront enrollment fee, the first month's dues, and require a 30-day written notice (*See TRUST Page 18*)

Phil Wendel on Trust

Phil Wendel is the Founder and CEO of six **Atlantic Coast Athletic Clubs (ACAC)** located in Charlottesville and Richmond, Virginia and West Chester, Pennsylvania. Phil's clubs now serve over 15,000 members and generate in excess of \$30 million annually.

Phil Comments on Trust

For far too long, and in many cases, deservedly so, our industry has failed to gain the necessary trust from the American people. All of us as club operators and owners have spent the last 25 years fighting over the 15% to 18% of Americans that are already active. While they represent our bread and butter, our real opportunities are the 65% of Americans that have not yet joined clubs. This demographic, four times larger than our present member base, truly believes that fitness is essential for good health. In order to be serving 50% of Americans, as opposed to the 15% that now join our clubs, we need to earn trust in our communities.



Phil Wendel

Phil Wendel
Atlantic Coast Athletic Clubs



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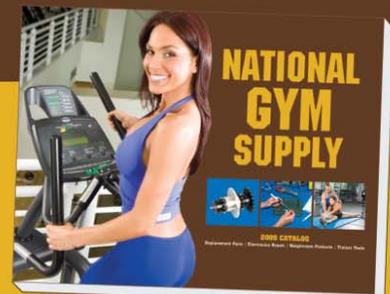
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Clubs for the Cure Invites Health & Fitness Clubs - Worldwide to Open their Doors this Holiday Season for
12 Days of Fitness
to Find a Cure for ALS



The Clubs for the Cure Team is excited to launch the **12 Days of Fitness Program** to find a cure for ALS, amyotrophic lateral sclerosis, this holiday season. During **November** and **December** participating clubs will open their doors to members of the community by inviting them to experience 12 consecutive days of fitness at their local Health and Fitness Club with a donation of \$20 to ALS. This is a great way to get more people, more active, more often and also help raise money for a great cause.

“We are asking Health and Fitness Clubs around the world to open their doors to support the Twelve Days of Fitness Program.”

-Patricia A. Laus, C.E.O. of The Atlantic Club and founder of Clubs for the Cure



To achieve this objective, Pat Laus and the Clubs for the Cure/Augie’s Quest Team will be incorporating the **12 Days of Fitness** Promotion into this holiday’s global initiative. **12 Days of Fitness** is a program that was created in 1987 by Doug Miller, co-founder of Sales Makers International. This promotion has provided over the years, successful results for Health and Fitness Clubs worldwide.

Doug Miller has generously provided the exclusive rights for **12 Days of Fitness** to The Clubs for the Cure/Augie’s Quest Team to be used to increase the number of Health and Fitness facilities joining the global effort. It also provides a new venue that will raise substantial donations to support Augie Nieto in reaching his goal of \$30,000,000 by March, 2010. These donations will continue to fund the research efforts that will find the cure for ALS. “I am confident,” states Mr. Miller, “The **12 Days of Fitness** Initiative will be tremendously successful. I have been a personal friend and colleague of Augie Nieto for over 25 years and my team at Sales Makers International is excited to support Augie in his Quest to find the cure for ALS by providing The Clubs for the Cure/Augie’s Quest Team the rights to **12 Days of Fitness** this upcoming Holiday Season.”



Pat Laus and her team at The Atlantic Club have utilized the **12 Days of Fitness** holiday program for several years with great success.

“It is a great way for Clubs to open their doors to everyone in their community and help Augie this holiday season. The entire Atlantic Club Team in conjunction with The Clubs for the Cure/Augie’s Quest Team is committed to providing the industry with all the tools necessary to be successful with this great program- we are here to help, so please do not hesitate to call or contact us,” states Pat Laus.

The Clubs for the Cure/ Augie’s Quest Team now consists of over 700 Health and Fitness Centers that have been involved in conducting events at their Club to raise monies and awareness for Augie’s Quest. In its’ first 18 months, The Clubs for the Cure/Augie’s Quest Team has raised over \$750,000 with an aggressive global effort being launched for this Holiday Season.

“The Atlantic Club team is committed to work with Clubs insuring that they will all have a successful 12 Days of Fitness event for Augie this holiday season!”

-Kevin P. McHugh, C.O.O. of The Atlantic Club and Clubs for the Cure



Clubs that are interested in enrolling in Augie’s Quest **12 Days of Fitness** can visit The Clubs for the Cure website at www.clubsforthecure.com. This site includes sample newspaper ads, direct mail cards, email blasts, press releases as well as a program overview for this upcoming holiday season. “Our goal with the development of our new website, donated by Laurie Metrick and his team at www.Joinonline247.com,” states Kevin McHugh, C.O.O of The Atlantic Club and Clubs for the Cure, “is to develop an information center platform that will provide not only the tools for Clubs to incorporate into their local market but act as a resource to learn more about Augie, Augie’s Quest and other fundraising programs that Clubs have been conducting for Augie over the past eighteen months. The Clubs for the Cure website also provides videos that will further explain the upcoming Augie’s Quest **12 Days of Fitness** program along with contact numbers and email addresses of the entire sales and marketing support group for this program at The Atlantic Club. Our team is committed to work with Clubs insuring that they will have a successful **12 Days of Fitness** event for Augie”.

If you have any questions or would like to obtain more information regarding the upcoming Augie’s Quest 12 Days of Fitness global initiative to have more people, more active, more often during this upcoming Holiday Season, please contact Kevin McHugh at kevinm@theatlanticclub.com.

Let’s all open our doors for 12 Days of Fitness this Holiday Season and help Augie find a cure for ALS!



More People More Active More Often

**LET'S ALL OPEN OUR DOORS FOR
12 DAYS OF FITNESS THIS HOLIDAY SEASON
AND HELP A GREAT CAUSE!**

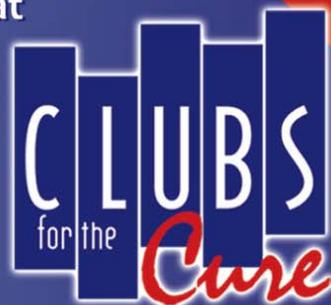
For the health of our nation, we need to get more people, more active, more often. The **12 Days of Fitness for Augie's Quest** program is a global grassroots campaign that demonstrates the Health and Fitness industry's commitment to helping all people become more fit while lending a hand with important social causes.

This November and December, open your doors to the public with a **Free "12 Days of Fitness" pass** when your guest donates \$20 to **Augie's Quest**. It is a fantastic way to showcase your club to the community during this upcoming holiday season and help **Augie's Quest Cure ALS**.



Augie Nieto, founder of Life Fitness, was diagnosed with ALS in 2005. Later that year, Augie and his wife Lynne created the Augie's Quest initiative in conjunction with the Muscular Dystrophy Association (MDA). For more information visit www.augiesquest.org.

Fundraising programs and materials are all provided for your use at www.clubsforthe cure.com as well as helpful phone contacts to assist you in becoming part of this effort.



Together we can make a world of difference!

Teens Impress Fitness Executives with Interest in Physical Activity

ST. PETERSBURG, FL - August 6, 2009 - The Lifestyle Family Fitness Free Teen Summer Program grew by leaps and bounds this year. Since the program started in 2007, teen participation more than doubled in the program nationwide.

"I believe the tremendous growth of this program can be attributed to key community leaders stepping up to encourage teens to remain active this summer," says Lifestyle Family Fitness founder Geoffrey Dyer, who once battled childhood obesity tipping the scales at 248 pounds at 17 years of age.

The 2009 Lifestyle Family Fitness Free Teen

program kicked off in mid-May and was supported by community programs and leaders including Indiana Governor Mitch Daniels' INShape Indiana Health Initiative, the Columbus Public Health's Institute for Active Living, St. Petersburg Florida Mayor Rick Baker, and Raleigh North Carolina Mayor, Charles Meeker.

"Nationwide, nearly 11,000 teens took part in our program to battle childhood obesity and inactivity this summer," adds Dyer. "We provided approximately one million dollars worth of memberships to teens who wanted to remain healthy and active

during the summer months."

Lifestyle Family Fitness first began offering free two-month memberships to teens during summer because many teens do not have access to physical fitness when the school year ends. The program is designed to battle childhood obesity.

Among the many benefits of physical activity are higher levels of self-confidence and lower stress and anxiety levels. Studies have shown that S.A.T. scores are higher in teens involved in regular physical activity. In fact, because weight problems lead to other medical issues, overweight teens have

higher school absentee rates, affecting academic performance.

"Children who learn healthy habits at a young age will continue to make healthy decisions later in life," says President of Lifestyle Family Fitness, Kevin Laferriere. "We were impressed by the fact during the digital age, when teens are bombarded with sedentary entertainment options, almost 11,000 teens chose to remain active when provided the opportunity."

Lifestyle Family Fitness is currently running a contest to award one teen enrolled in the program with a free, one-year membership. To enter the contest, teens visit www.lff.com/teen



Geoffrey Dyer

and explain why they should be recognized for their commitment to fitness this summer.

...TRUST

continued from page 14

for cancellation. Then, leave it at that... Whatever you do, do not put your club into a position where you end up suing a member over money. That is the kiss of death, and for every dollar you might ever collect by suing a former member, you will lose \$100 over time because of the ill will against your club in the community. You will be amazed at how *negative word-of-mouth* can travel and hurt community Trust of you and your club.

7. Throw Monthly Member Appreciation Parties. If you have not done so already, establish a monthly member appreciation party. For example, a great time is the last Thursday evening of every month. Be sure you have the party on your monthly club calendar and website. During the month, provide your members with printed invitations to give to their friends and broadcast the invitation via email a couple of times a month. Make audio announcements in the club on the Monday, Tuesday and Wednesday nights before your monthly party. Make this a *lifelong habit*, and be sure to give a **Welcome Speech** during each party where you thank your members for being members and welcome their friends as guests in your club. You should say **Thank You** verbally every month, year-in and year-out, without fail. Give **EVERY** friend of your members who attend a free, one-month **Trial Membership** (Of course, make this only for

new guests to your club). This is **PR 101** folks, and if you're not hosting monthly member appreciation parties, you should be. The cost in time and dollars will be recovered many times over during each business year.

8. Do what Red Lerille does. Get out and speak to community organizations like the Chamber of Commerce. Do like Red does and present yourself as the expert you are. In essence, share your club mission at Chamber of Commerce luncheons, breakfasts and other gatherings. Host the monthly "Chamber After Hours" events at your club once a year, and be sure to attend the Chamber After Hours events each month as they are excellent networking opportunities.

9. Join and support the Better Business Bureau. The first words you see when you go to www.betterbusinessbureau.com website are their slogan, "**Start With Trust.**"

Slide 10: Be nice, nice, and nice!

10. Be nice, nice, nice and nice! Remember that success in the health and fitness club industry requires friendly relations with thousands of people! Every one of them could make or break your business. Treat everybody that you and your club deals with, including your employees, ethically and fairly, in a friendly manner and as if that *single individual* will determine the fate of your entire business... because they will.

To summarize, let me say this. My goal with every one of the 185+ editions of **CLUB INSIDER** I've published since November of 1993 is to help you make your club better and more competitive. Through learning, and acting on what you learn, you can change the future of your health club business for the better.

(Norm Cates, Jr. is a 35-year

veteran of the health, racquet and sportsclub industry. Cates was the *Founder* and is now completing his 16th year as *Publisher* of **CLUB INSIDER**. He was *IHRSA's 1st President*, and a *Co-founder* of the Association with Rick Caro and five others, in 1981. In 2001, *IHRSA* honored Cates with its *DALE DIBBLE Distinguished Service Award*, one of *IHRSA's* highest honors. Cates

may be reached by phone at **770-850-8506** or email at **Norm@clubinsideronline.com**)

LinkedIn

www.linkedin.com/in/normcates

TRUST

Red Lerille on Trust

Red Lerille established **Red Lerille's Health Studio** in January, 1963 in a 4,000 square-foot rented space that was a former boot shop. Since his first month in business, Red has made at least one improvement to his club every month for over 46 years. The result of that commitment is that Red's now has 9,800 memberships and close to 20,000 members in his nearly-200,000 square-foot club on 20 acres in Lafayette, Louisiana.

Red Comments on Trust

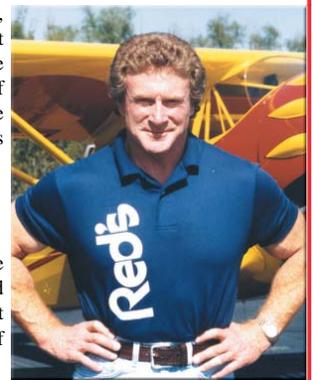
Trust is normally earned over a long period of time through a positive reputation, or often bought, such as through the purchase of a "Brand Name" franchise. In the 1950s, I had none of these. I realized that before a community would trust me enough to support my dream of owning a health club, I would have to earn their trust over time.

The day that I landed in Lafayette, Louisiana on September 9, 1959 on Trans Texas Airlines (now Continental), I had no idea that I had stepped off into heaven, no question the greatest place for me to live. My reputation started to be known through my hard work at Mike's Gym, a local health club, and winning the Mr. America title.

In 1963, I borrowed \$250, built my own equipment and opened a very small health club in a rented building. I had no idea that the community would eventually have as much trust in me as I had in them. So much trust that I was able to grow for the last 46 years to where I have almost 200,000 square feet of building on 20 acres today.

Because of the community, we have changed our name from Red Lerille's Health Studio to Red Lerille's Health and Racquet Club to now "Branded" by the members simply as Red's. Without my weight training background and the community's trust, I would be nowhere.

Red Lerille
Red's



Red Lerille

WARNING



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- Donna Krech, Founder/CEO

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Catching Up With Cary Wing, Ed.D.

Executive Director of Medical Fitness Association

By: Norm Cates, Jr.

Following the completion of the Medical Fitness Association (MFA) Institute, we contacted MFA Executive Director, Cary Wing, Ed.D., to obtain an update on things with the Association. Here is the interview conducted by phone with Cary on July 30th.

An Interview With Cary Wing, Ed.D.

CLUB INSIDER (C.I.) - How did the MFA Institute go?

Cary Wing (CW) - I have been involved with MFA on a number of levels since its inception in 1991, and the Medical Fitness Institute (MFI) was the most exciting, educational event I have attended. The small group format worked very well; the topics were specifically geared to managing a medically integrated fitness center; the speakers were

exceptional; and the two sponsors (True Fitness and Technogym) participated in all activities as well as a facility tour. With regards to the speakers, long-time industry leaders led sessions, but we also included several exceptional professionals/lecturers from Vanderbilt University. These leaders in finance, marketing and situational leadership added a new dimension to this event and provided educational opportunities beyond the usual conference agenda. The attendees were engaged in the lectures and the networking opportunities, and from all accounts, rated the event an A+. We couldn't have asked for anything more and will now have a high bar to reach in 2010!

About The Medical Fitness Institute (MFI):

•The MFI curriculum was designed to address the growing need for educated, talented

individuals to manage medically-integrated health/fitness centers.

•With a limited class size, students and faculty enjoyed an intimate setting where they were able to connect and share experiences throughout the event.

•The 2009 MFI graduates will have the opportunity to continue these new relationships through a year-long mentorship program. Industry leaders will be assigned to MFI graduates to provide input and motivation and to guide them through the implementation of the MFI curriculum.

Feedback From Medical Fitness Institute Participants:

•The Medical Fitness Institute was a very valuable event and unique in that the group was small enough that we could network and share so much information

with the other attendees during and between all of the speakers. I liked that we were together as a group with every speaker. The speakers were incredible, covered a wide range of topics and shared real life experiences and events. Thanks for the terrific workshop!

Kay Benward
Supervisor
Healthplex

•This event brought together people from different facility sizes, locations and populations. MFI gave me an opportunity to 'rub elbows' and find out other information from larger and more experienced facilities. The scheduled activities were excellent and gave an opportunity for all of the attendees to really get to know each other from a personal aspect. I think MFI will be a great asset to anyone who can attend future conferences,



Cary Wing, Ed.D.

and I for one, will do my best to be at every one.

Leland Kaimimoku
Assistant Director
West Texas Lifestyle & Rehab

•What made the program such a success was the closeness of the group in all of our interactions.
(See Cary Wing Page 22)

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Celebrating its 15th anniversary, the MFA Annual Medical Fitness and Healthcare Conference is the best investment you will make in 2009. Attend the 2009 conference in Orlando and you'll get all the latest information on building, operating, marketing, programming and staffing your medical fitness facility.

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A club in Canada reports – “Fitness Managers are averaging PT packages of \$3,500-\$6,000 per PT deal.”

A club in IL reports – “The VFP helped build our monthly PT drafts from \$0 per month to over \$40,000 per month in our 15,000 sq. ft. facility.”



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...Cary Wing

continued from page 20

With a group size of less than 40 participants, you had time throughout the event to get to know each other, share ideas and bond as a professional group. Unlike other conferences where you attend different sessions, here you all were together all day, ate meals together and then socialized at night together. This kind of interaction combined with the incredible seminars and valuable information presented is exactly what we need to help develop future leaders in the industry.

Deborah Riggs
 General Manager
 TriHealth Fitness and Health

C.I. - Cary, in our April 2009 CLUB INSIDER Cover Story

interview with Phil Wendel, he told me he had gotten a Medical Fitness Association (MFA) Certification for his amazing Atlantic Coast Athletic Clubs. That speaks highly for MFA because Phil Wendel is one of the most astute club owners and operators in the world. Please help club owners and operators out there who've never given one second of thought about getting MFA or any other medical fitness certification to visualize the process they would go through should they decide to join MFA and get their club MFA certified. CW - If a facility joins MFA, we will help guide them in the direction to achieve certification with educational resources and professionals knowledgeable in this field. Our organization is the *only* one dedicated solely to medical fitness and healthcare

providing the resources necessary to understand the industry and provide exceptional service to the community. There is much discussion recently on engaging physicians and encouraging them to prescribe exercise with a physician referral to a fitness facility. MFA facilities have been aligning with physicians for years and working with them in this area. This is not a new concept for medical fitness centers, and we have many models in place to assist centers in working with local physicians. Physician referrals are the key to the medical fitness model, and a physician's exercise "prescription" must be implemented by the right staff using the right programs. Leaving a person on his own in a fitness facility to work out does not fill the "prescription." One of the first items of business I did when I opened a facility in Florida in the 1990's was to develop a community of physicians to refer to the facility, and I provided "prescription" pads to them to assist in the process.

I think that clubs should be cautious if and when they become involved in obtaining referrals from doctors. If they get involved in this, they've got to make sure they do something with that referral. A person shouldn't just come in, join a facility, see a professional in the club one or two times and then never see anybody again. I think that's going to hurt the relationship with the physician because if the patient goes back to that physician and says, "Well, yes, I joined, but I never saw anybody," the physician will hesitate to make additional referrals to that facility. From your writing stand point, Norm, I think that would be a really good tactic to take. To explain it's all well and good to talk about this, but if you're not willing to have the right staff in place and be willing to do something with that referral, it creates a negative impression with the client or new member. The club's reputation will suffer because they're not fulfilling the original promise and implementing the physician referral.

The bottom line is a facility must have a healthcare connection to achieve certification. If a facility wants to be medically-integrated, the first Standard reads, "A medical fitness center must have medical oversight. A medical director, a physician advisory committee

and/or a physician advisor must be in place to provide medical oversight for the facility's programming in order to maximize the safety of all participants and ensure medically and scientifically sound programs and services." Through the guidelines that follow, they can reach this first standard in several ways, but it is a key component of a medically-integrated health and fitness center.

Publisher's Note: To get started in your club, visit www.healthylearning.com or call 888-229-5745 to order the Medical Fitness Association's Standards and Guidelines for Medical Fitness Center Facilities.

C.I. - What benefits could a non-medically aligned health club owner and operator expect to receive should he make the move that Phil Wendel made to MFA Membership and Certification? CW - Norm, MFA Membership provides benefits not available for clubs elsewhere, including:

•**MFA Membership** - A facility joins MFA to learn more about medical integration and to network with leaders in the medical fitness industry. Specifically, MFA provides benchmarks, resources, staffing guidelines, clinical integration guidelines and educational opportunities specific to this industry. As I have said to you before, medical fitness is not just "rehab," it is for those without disease, those at risk, and those with disease. The question is, does a facility complete a health risk assessment on every person when they join and then determine the best physical activity program for them based on those results? MFA membership can assist a facility in answering a question such as this and provide insight into the "why" as well as provide the background and knowledge to set the facility apart from others and raise the bar in the fitness industry.

•**Facility Certification** - In light of the **Exercise is Medicine Initiative**, it is incumbent on fitness facilities to tie into their local healthcare providers. However, a facility must show their ability to screen for risk factors and other areas as I have mentioned. Achieving certification will indicate to community healthcare professionals that this facility has gone above and beyond to reach this exceptional level of service

and trust. There are marketing opportunities to indicate the "medical fitness difference."

C.I. - Cary, this interview will appear in our August 2009 Special Edition called "Trust." I would like to ask you to describe to our readers how an MFA Certification will help them build more Trust with the consumers in their community. Also, please explain how that will result in more people from their community coming in to join, people who are not currently members of other clubs.

CW - Norm, Trust involves building relationships; providing exceptional service; hiring staff that is qualified to work with the general population, as well as special populations; assessing each individual who walks into the facility to determine risk factors; and finally, never forgetting about that person once he has joined. The MFA Facility Certification assures a continuum of care with qualified staff that is only found in medically-integrated fitness centers. Due to this, physicians are comfortable referring their patients to centers that care about the individual. Very often, people will join a facility because of a physician referral. Therefore, it is incumbent on the facility to offer programs and services that are safe, effective and relevant. The facility must demonstrate day after day that this level of service is reached. The facility then becomes known and trusted in the community as having an environment where outcomes are measured, individuals improve their health status, and no one is ever forgotten once he have paid his membership dues. The MFA Facility Certification is a standard and level which meets these criteria.

The certification process is thorough. The greatest remarks from those who have been certified and those going through the Checklist process is that it has made them stop and think about all aspects of their programs and services, and the process provides a learning experience above and beyond their current thinking. They have welcomed the opportunity to participate and it has brought their staff closer together.

Publisher's Note: The MFA Annual Conference (Medical Fitness and Healthcare), December 2 - 5 in Orlando, is being jointly sponsored by Creighton University School of Medicine.

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Brand Passion: Advertising and Branding That Works

By: Derek Barton

Good branding, advertising and customer service are things that allow us to know the heart of a company even if we've never met the owner. If I don't get that emotional connection, you've lost me. It's like an ad with an asterisk.

We consumers understand those asterisks as well as the other marketing tactics used, but we don't like them.

- "Act Now!"
- "Hurry, Last Chance!"
- "Your Mileage May Vary"
- "Guaranteed or Your Money Back, except for restocking, postage and handling fees."
- "Batteries Not Included"
- "Consult your physician if your erection lasts for more than four hours."

Yeah, right.

There is supposed to be truth in advertising, but companies, like people, stretch the truth. It's hard to know who to believe. My uncle, a world-renowned criminal interrogator, once said, "Lying has been around a lot longer than telling the truth." So have advertising, branding and customer service. Think about it. Picture, if you will, back in the Stone Age, Og coming out of his cave. He sees a cave woman (a potential mate) with another caveman who is trying to win her over. What does Og do? He beats his chest. He flexes his muscles. He shakes his long hair and brags that he is the better man! This is called *Advertising*.

To further demonstrate that he is the right choice, Og goes out and slays a brontosaurus (or hopefully something a little smaller) and drags it back to his cave. He invites the cave woman to have dinner with him. She figures, why not, it's a free meal

and she has nothing to lose. This is called the *Offer*; a good offer that gets the potential mate into his cave.

Og puts on his favorite loincloth and combs his hair with the skeleton of a pterodactyl. He has cleaned and decorated his cave to impress. The pictures he has carved onto the walls of his cave represent him and his achievements. They may be a little exaggerated, but it makes the entire cave look more interesting and... inviting. This is called *Branding*.

Once the fetching young prospect arrives at his humble cave, Og goes out of his way to be on his best behavior. He proudly gives her *The Tour* of his cave to show the potential mate all the great things he has to offer her. He points to the pictures on the wall and explains the stories behind them. He urges her to try out his favorite chair; the one upholstered in saber tooth tiger hide. She is

intrigued. He saves the best for last, his bed. He urges her to lie down and feel the soft feathers from the local Dinornis bird. She is impressed, especially when he lays a warm woolly mammoth pelt over her. Og takes her by the hand and walks her back to the dining room. He seats her at his hand-carved stone table with the best view of the valley below and some of the most amazing creatures running and flying by. He lays out a sumptuous feast and gives her the best experience she's ever had. This is called *Customer Service*.

As much as we would love to think Og and his mate live happily ever after, I would say, once she moves in with him, he no longer goes out of his way to



Derek Barton

make his cave as attractive as he did when he was trying to win her over. I'm sure, like most cavemen, he doesn't think it is important
(See Derek Barton Page 26)

View Derek's Author Profile at
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L&T Fitness On The Move After 25 Years!

25,000 ON THE MOVE Challenge

The **25,000 ON THE MOVE Challenge** was designed to get 25,000 people to commit to physical activity for 25 days during the month of June. L&T Health and Fitness (L&T) wanted to showcase its business milestone, 25 years, with a program that encouraged physical activity for exercisers, and more importantly, attracted non-exercising Americans. L&T also wanted to give-back to the industry by raising awareness of Augie's Quest, the Muscular Dystrophy Association's (MDA) research initiative to find treatments and a cure for ALS or Lou Gehrig's disease, and donating to the cause.

ON THE MOVE asked participants to commit to fifteen minutes of activity each day with no restrictions on the type or intensity of activity. Individuals were able to participate anytime, anywhere, and they were eligible to win a prize, simply by logging their daily activity.

Participation in **ON THE MOVE** was free and open to everyone. L&T reached out to fitness center members, non-members, children, seniors

and the community... schools, businesses, professional associations, network groups, churches, family and friends.

Participants tracked daily activity through L&T's web page, linked to the President's Council on Physical Fitness and Sports' President's Challenge. A paper tracking form was also available. L&T had 13,056 **ON THE MOVE** participants. 92% of these participants tracked their activity online and 8% tracked their activity on paper. L&T's **ON THE MOVE** team was the largest nationwide group to participate in the 2009 President's Challenge, making up 26% of their total number of participants.

Participants who logged their activity each day during the challenge were eligible for a \$25 gift card drawing. Larger prizes were available at the end of the challenge for 25 people who completed 25 days of physical activity.

Electronic newsletters with brief articles encouraging physical activity, a health and fitness question and answer section and tips on how to increase daily activity motivated

people throughout the program. A free webinar on *Energy and Performance* was offered to all **ON THE MOVE** participants.

ON THE MOVE increased exercise adherence and attracted non-exercisers because activity could be done anywhere. **ON THE MOVE** showed organizations that their employees could increase their daily activity and see remarkable results. One participant said, "Thank you! It was fun doing the challenge, and I lost 12 pounds since the challenge started."

Through **ON THE MOVE**, L&T raised awareness and was able to collect donations for Augie's Quest via the internet while fostering a sense of community using the web. A combination of L&T's contribution of 25¢ per registrant and donations from **ON THE MOVE** participants raised nearly \$3,500. L&T expects this amount to grow as the **ON THE MOVE** evaluations and thank you notes are distributed.

L&T is rewarding organizations for their participation in **ON THE MOVE**. The principals and teachers of two elementary

schools incorporated **ON THE MOVE** into daily classroom activities; this fall, L&T will reward these schools with 100% participation certificates at their County School Board meetings. Industry partners, clients, churches and companies will receive *Outstanding Participation* awards at upcoming meetings and conferences.

The feedback from **ON THE MOVE** participants has been overwhelming. Participants have raved about the "shift in thinking that has to take place when you have to be active for at least 15 minutes every day." It requires more of a lifestyle change than a commitment to exercising. One mother wrote, "Thank you! I am constantly thinking about how to incorporate our daily activity."

Everyone who participated had an equal opportunity to win a prize. A daily prize winner said, "I just log my run right when I get back to my desk each time. And, I won! I never win anything!" Another participant commented, "This is awesome! It is so great to get points for something I would have done anyway!" A school parent wrote,



Allison Flatley

"This was a great thing to bring to our school. I think it really did raise awareness, which is what will combat this inactivity problem. Thanks."

In summary, **ON THE MOVE**:

- Was free
- Was easy to register and record activity
- Was simple, requiring only 15 minutes per day
- Allowed all ages to participate, from elementary school students to seniors

(See *On The Move* Page 27)

...Derek Barton

continued from page 24

enough to continue to romance her and give her new experiences to keep her interested. I'm sure he feels that what he is currently doing is enough to satisfy his mate. She seems happy, and yes, she complains occasionally, but overall, he doesn't feel it's necessary to invest any more time and resources to make his cave any better. This is called *Complacency*.

From this simple analogy, you can see the roles branding, advertising and customer service have played since the beginning of man.

Marketing guru, Jay Abraham, once said, "If you want to increase your business by 10%, find someone in your industry that is highly successful and emulate them. If you want to increase your business by 100%, find someone outside your industry that is highly successful and emulate them." I agree, which is why in my seminars, I use illustrations of well-known brands from outside

the fitness industry.

Now, as a case in point, movie theatres have had to wise up and give us even a better experience than they once did since they know we can now set up our own home theatre with a big plasma screen and earthquake-simulating surround sound speakers. In the Landmark Theatre near my home in Los Angeles, they not only offer stadium seating, but you can pick out your own seat online. Plus, once inside the theatre venue, there is a bar/restaurant where you can order a cocktail and take it into any of their 13 theatres. And, one of the theatres has nothing but couches and lounge chairs. With microphone in hand at the start of each movie, the young, energetic staff greet you and tell you a little bit about the movie and who's in it, just like a Hollywood premiere. It is absolutely the best theatre experience in town, including my own theatre room at home. This is called *Differentiating Yourself from the Competition*.

How are you making your health club a better

experience so that people come into your gym instead of training on fitness equipment in their own home? This was the challenge facing Howard Shultz when he thought of his Starbucks concept. How can I stop people from making coffee in their own homes or stop them from buying it from those cheap places down the street? As Howard will passionately tell you, his brand is not about the coffee, but the experience... it's "Theatre!"

Howard Schultz produces a consistent experience in all his Starbucks locations around the world. Do our health clubs have that consistent, intimate, feel-good atmosphere? The answer too often is no, which is why we struggle to get new members into our clubs.

In the health club business, as with fitness equipment manufacturers, the focus over the years has been on driving down price in order to obtain more customers. Yet, 84% of Americans still have not joined a health club. If price is really the driver most on the consumer's

mind, then that statistic should have dropped dramatically by now, since we practically give away our memberships these days. Yet, the number remains static. We need to take a different tack, one that emotionally connects with our target market.

As I have said for years, only one competitor can be the cheapest, the others have to rely on strengthening their brand.

Now, more than ever, in this tough economy, people want value for their hard-earned money. We all pay higher monthly fees for our phone, cable and satellite services than we pay for our health clubs. More people spend more money and more time in coffee houses than they do in health clubs. People are obviously willing to pay for perceived value. If we are giving it away, what is it really worth?

We have the best product and service on the planet, yet other products and services outside our industry consistently outsell ours, which to me, means that we don't know how to sell what we have.

Remember Og.

(Derek is a much sought after public speaker on marketing, advertising, branding and customer service. He is the former Senior Vice President of Marketing for Gold's Gym International and was responsible for helping build Gold's Gym into one of the most respected and recognized brands in the fitness industry. During his tenure, Gold's Gym received numerous awards and accolades for its innovative marketing, with many ads being reprinted in advertising and educational textbooks. In Derek's 20th year of building and protecting an American Icon, Gold's Gym was listed in America's Greatest Brands book. Derek now runs his own marketing consulting and entertainment production company, Barton Productions and may be reached at derek@bartonproductions.com)

...On The Move

continued from page 26

- Had no restrictions on when, where, or what type of activity could be performed; activities included walking the dog, school recess, gardening, lawn mowing, tennis, group exercise classes, marathons and triathlons

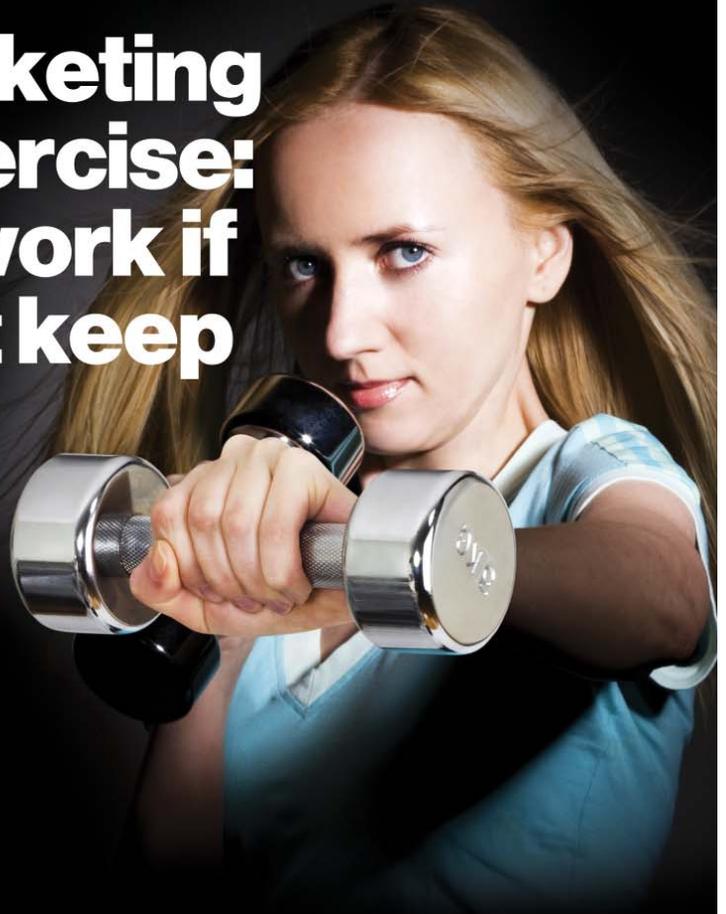
- Was open to everyone worldwide; participants were from Taiwan, Nicaragua, the UK, Argentina and Singapore

- Showed that activity can be more than "going to the gym"

- Showed that just 15 minutes of daily activity can contribute to a healthier lifestyle

Anyone can throw a big 25-year anniversary party; instead, L&T took the opportunity to promote physical activity, raise awareness and money for Augie's Quest, the Muscular Dystrophy Association/ALS research initiative and get more than 13,000 people to exercise daily during the month of June.

Club marketing is like exercise: It won't work if you don't keep doing it.



This is how we will help. Our clients say we make their lives so much easier. They may have big clubs or small clubs and often "no marketing dollars in the budget". We understand, and we will still make it happen. Talk to us, and we'll show you a plan that fits your budget. We'll work that plan for you with the right tools that will keep new prospects coming in. Just like you tell your members; when you stick with the program, you'll love the results!

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Programming Tip of the Month: *If People Say "You're All Wet," It May Be A Good Thing!*

By: Sandy Coffman

Your programming calendar begins September 1st. New members, a new season and new programming opportunities rule the day. It's time to consider some new ideas and create new programs for your pool.

First of all, the pool isn't just for lap swimmers anymore! Lap swimming is just one of the many aquatic activities that can be done in your pool. You don't want to tie up your swimming pool just with people swimming back and forth. Scheduling a wide variety of programs can involve more people and generate revenue for your facility. Children's learn-to-swim classes and water exercise classes are usually the biggest producers of revenue for swimming pools. But, why not build up your aquatic program

to include a wide variety of aquatic activities that attract a wide variety of age groups and interests? Pool aerobics and aquatic exercises offer many great benefits and just as many programs. In fact, water workouts are considered by many people, especially in the medical field, to be the best exercise routines for just about anyone wanting to get fit and keep healthy.

When water exercise classes first came on the scene, they were considered to be programs only for the elderly and those with arthritis. Well, that was partly right! Water exercise programs provide amazing results for that market and will continue to do so, but many other people of various ages and skill levels can benefit as well.

Exercising in water is effective for several reasons. First,

it's easy on the body. There is no impact on the joints, and it is very difficult to get injured. Second, you have to breathe deeply, which is great for your body. Third, for many people, water exercise is more tolerable than other types of exercise. A person can get a full workout in water and not feel discomfort because the water provides constant resistance to the muscles. Jogging in the water, for example, gives a lot of resistance to arms and legs and yet people perceive a much lower level of exertion because the water is cooling and takes away sweat. The motion of water also assists in getting blood back to the heart. Aquatic programming improves and maintains muscular strength, flexibility and cardio respiratory endurance. It is often the exercise of choice after surgery, illness, or accidents.

Water exercise, because it is generally done in groups, has a social component that motivates participants to stay with it. It's fun! For example, participants tread water with plastic noodles, which are long tubular flotation devices. When this exercise is done in deep water, it works the core muscles just as with land exercises, only more comfortably. Special flotation belts also help people to jog in deep water. A multitude of flotation and weight devices are available for use in your aquatic program. The key is to have enough programs that accommodate all levels, ages, interests and needs.

A menu of classes could be available for all ages, preschool children to elderly and arthritic people. For example, aquatic programs for children can begin at age 6 months with parents and progress through the ages with a multitude of classes based on stroke mastery, competition and lifeguard preparation.

Aquatic programs can also fuse with other programs

such as Pilates to form classes like "Aquates," "Pilaqua" or "Aqua Sculpt." Members often will take a stretching class or beginners' Pilates before aquatics, thereby getting cross-training in their exercise program. The fusion of activities with aquatics can include tai chi, yoga, walking, running, stretching and even biking. The programs are born when participants, instructors and trainers ask, "Why can't we do this in the water?"

Detailed information about aquatic programs is available from the United States Water Fitness Association (www.uswfa.com). You may also order the Aquatic Directors Manual from USWFA, which contains 50 chapters and includes more than 350 pages of aquatic programming information. One last suggestion here, go to www.scwfitness.com and discover Sara Kooperman's educational opportunities for aquatic programming.

There are too many aquatic supplies for the various aquatic programs to list here, and most programs will have many types of equipment from which to choose. Several product catalogs are available on request to guide you in your needs. One example is Aquatics by Sprint, a product catalog for aquatic supplies (www.sprintaquatics.com). Another source for products in your aquatic programs is SPRI (www.spriproducts.com).

Supplies that you should consider having for your general aquatic programs include goggles, caps, kickboards, balance boards, water polo gear, bags, swim fins, masks and snorkels, aqua weights, gloves, aqua shoes, aqua toys, aqua balls, aqua games and flotation devices. Safety gear such as CPR rescue tubes, whistles and lanyards are also available, as are videos, DVDs and educational literature.

The following are some



Sandy Coffman

aquatic programming ideas for your facility. My book, *Successful Programs For Fitness And Health Clubs: 101 Profitable Ideas*, has general descriptions of these and the market that the programs will attract. Most importantly, you will see that a veritable paradise of programs are available for your pool area. You may even want to consider renaming your swimming pool area as the "Aquatic Fitness Center," "the Aquatic Water Fun Center" or the "Aquatic Programming Area."

Aquatic Programming Ideas

Aquacize, Water Walking and Water Jogging, Deep Water Aerobics, Lap Swimming and More, Aqua Circuit Training, Master Swim Program, Aqua Cardio Sculpt, Arthritis Foundation Aquatic Program, Aqua Kick, Children's and Junior Swim Programs, Swimfants, You and Me Baby, Toddler Splash, Bronze level Youth Swimming, Silver level Youth Swimming, Gold Level Youth Swimming.

"Have a splashing good time!"

(Sandy Coffman is the "Dean of Club Programming." You can contact Sandy at SLCoffman@aol.com or visit www.sandycoffman.com)

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All who have advertised, purchased subscriptions, pitched in as Contributing Authors and read CLUB INSIDER! We are now in our 16th year of publication! All of you are on the "Team" that makes this publication, and we will be grateful to you forever. **I appreciate and LOVE 'Ya!**

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Co-Owner, Global Fitness Centers

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Owner, WOW! Work Out World

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Jason West
Owner, Gold's Gym Elite

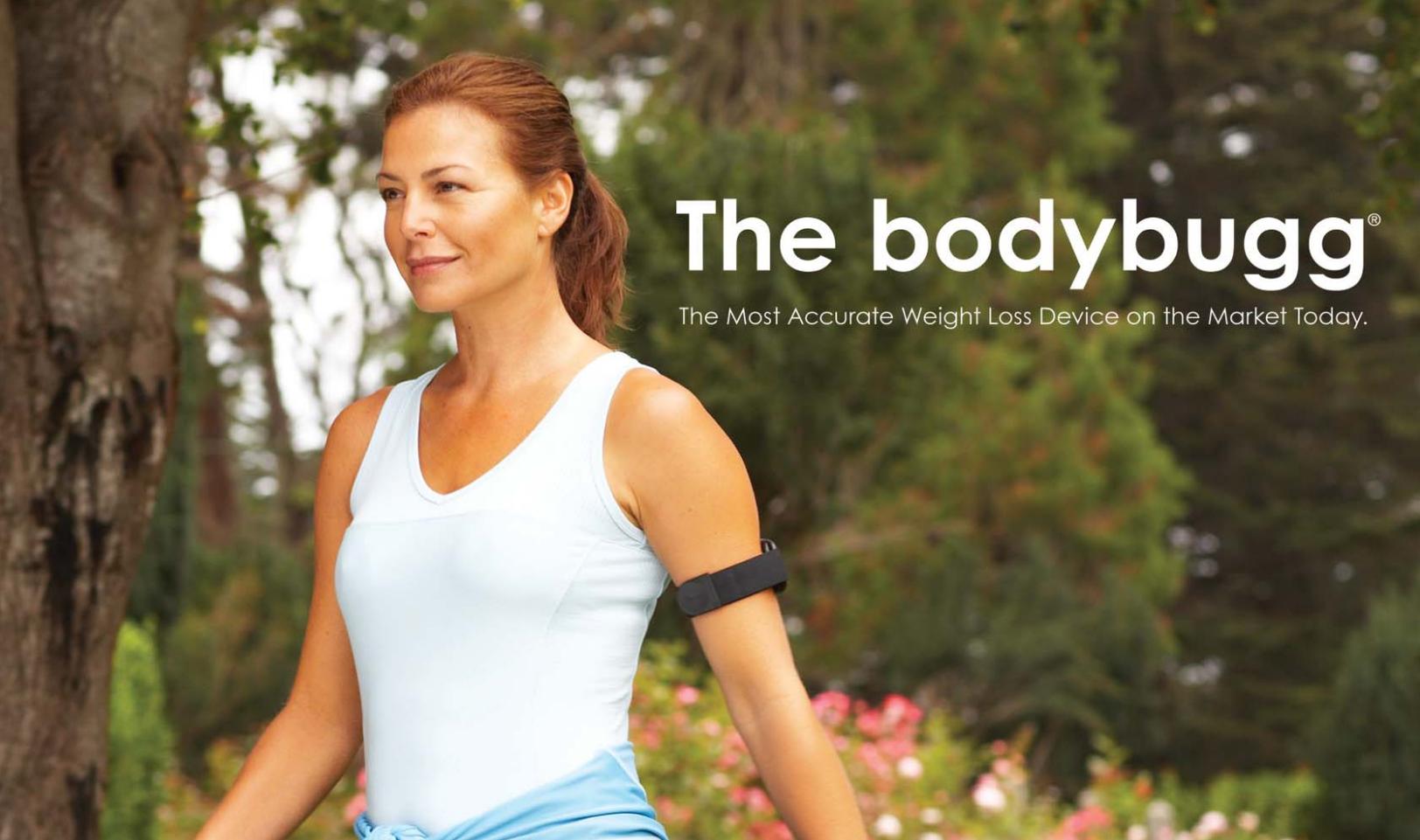
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