

Norm Cates' CLUB INSIDER™

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

Established 1993

COURTHOUSE ATHLETIC CLUB



(L to R) Courthouse Athletic Club Fitness Coaches Melissa Williams, Scott Bushey, Kaylee Stolsig, Jacque Elliott and Jorge Najjar

Courthouse Athletic Clubs' Fitness Coach Program

Meeting At-Risk Members Head-on

SEPTEMBER 2010

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Norm Cates' CLUB INSIDER™

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

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Courthouse Athletic Clubs' Fitness Coach Program

Meeting At-Risk Members Head-on

By: Justin Cates

This month, we are very happy to bring a unique cover story to you. Typically, in our case-study cover stories, we seek to delve deep into the minds of successful club owners and operators to learn how they got there, as well as give an up close and personal view of the inner workings of their club(s). The goal is to bring valuable "in-the-trenches" information to you in hopes that some of it can help you create value in your club businesses if implemented. Our

cover story subjects are typically veterans of the industry who have made mistakes, learned from them and taken that knowledge to build something better.

With our cover story this month, though, we are going to focus on a specific program implemented within the successful Courthouse Athletic Club chain in Salem, Oregon. John Miller is the President of this great company, and they now serve over 20,000 people across five clubs and one tennis center. As described above, through the process of making

mistakes and learning from them, John and his team have built a multifaceted system called the Fitness Coach Program.

The most important part of this program is the concept that drives it, that of the human psyche. All humans have a set of needs to be fulfilled. In many clubs, unfortunately, these needs are not necessarily taken into consideration, instead being replaced by the needs of the club. What if the member and what they need were the focus of the club and not the other way around, with the club needing

COURTHOUSE ATHLETIC CLUB



another member who sometimes remains faceless? As will be discussed thoroughly in this article, with multiple elements working together to comprise (See *Fitness Coaches Page 10*)

Co-founder Named Chairman of Planet Fitness

NEWINGTON, N.H. - Marc Grondahl, who co-founded Planet Fitness and helped fuel its growth from a small New Hampshire gym to one of the fastest-growing franchises in the country, has been named Chairman of the company's Board of Directors.

Grondahl, 44, had been Planet Fitness' Chief Financial Officer until April, when Jayne Conway, a former Dunkin' Brands and Gulf Oil LP executive, was named to the post.

"Marc's tremendous vision has always been a key to our growth, and we want to retain that for the long term," his brother, Michael Grondahl, the company's CEO, said in a statement. "His financial expertise and steady

hand guided us through the challenges of our early days, and he laid the groundwork and helped establish the culture that's put us where we are now."

Known for its relaxed Judgement Free Zone® atmosphere and friendly prices, Planet Fitness boasts 2.3 million members nationwide and is ranked by *Inc. Magazine* as one of the fastest-growing private businesses in America.

Planet Fitness consisted of four gyms in New Hampshire when it began franchising in 2003. Today, the company has a national footprint with 350 locations in 36 states and more than 1,000 units sold across the U.S. and in Puerto Rico.



In the \$19 billion North American fitness industry, Planet Fitness has opened eyes by turning an extremely low-price model --memberships are just \$10 a month-- into the segment's most profitable concept.

Visual Fitness Planner Launches Sales Fusion!

By: Michael Sena

Visual Fitness Planner Sales Fusion will be the fitness industry's first complete sales solution, combining three of the industry's leading sales technologies... lead management, sales presentation and financial tracking. The new Visual Fitness Planner Sales Fusion will be the industry's only turnkey sales system to integrate these three components of sales into one comprehensive system.

TouchPoint is the only lead management system specifically created for the fitness



Visual Fitness Planner Sales Fusion

industry. It has been proven that, the more times you can touch a prospect, the more likely you are to make a sale. Having an automatic technology solution that can provide 7 to 11 contacts with a lead increases your likelihood of closing a sale by 50%. This revolutionary tech- (See *Sales Fusion Page 6*)

Inside The Insider

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- Health Club Sales Management Mistakes to Avoid - By: Jim Thomas
- Club Members Winning the Weight Loss Battle - By: Donna Krech
- Enabling Staff - By: Will Phillips
- How Middle-Priced Models Can Succeed Now - By: Bonnie Patrick Mattalian

- Take Care of Your New Members with Group Cycling Programs for Beginners - By: Sandy Coffman
- World Gym Expansion Continues
- Tanning Tax Guidance from the IRS
- iGo Figure Club Management Software Now Available in Chinese
- The RUSH Fitness Complex Grand Opening Celebration!

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Norm's Notes

•**Hello Everybody!** This is our **CLUB INSIDER Publisher and Tribal Leader Since 1993** checking in!

•Are you ready for some **FOOTBALL? Ahhhhhh...YES!** It's finally that glorious time of the year when the hot and humid Summer retreats, the leaves turn gold and toe meets leather! Always remember that Football is all about **Teamwork** and **Teamwork** is how your club **WINS!** Speaking of Teamwork, this month's cover story features **JOHN MILLER's Fitness Coach Program**, based at the **Courthouse Athletic Clubs** in Salem, Oregon, and if you want a great industry example of *Teamwork*, check out this month's unique cover story written by **JUSTIN CATES**. Also, **JIM THOMAS** writes about *membership sales*, **WILL PHILLIPS** writes about *general club management*, **BONNIE PATRICK MATTALIAN** writes about *How Middle Priced Models Can Succeed Now* and **SANDY COFFMAN** writes about *club programming!* So, read on and have a great September!

•Justin and I hope to see you in

Chicago at the Club Industry Show, October 6-8th! We'll be at the **Opening Reception at the House of Blues** and at **Booth #320 at the Trade Show**. Be sure to visit our **Advertisers** at the Trade Show, too. They're great people to work with and they'll treat you right! See the **CLUB INSIDER Advertiser Exhibit Directory on This Page**.

•Is **America** a great country or what? **Hmm... hmm... hmm!** If your heart is committed to America, like mine is, and if you truly have real fears and concerns about the future of our great country, like I do, then please make plans to fix what has been going on for the last four years by **getting out and voting on November 2, 2010!** I also want to suggest that you consider devoting some daily phone time during the last two weeks of October to call your friends and neighbors across America to help get out the vote that will be necessary to make a difference. **Get out and vote!**

•I'm very sorry to report that **CHARLES TARTELLA**, long time club industry veteran, and **CLUB INSIDER** subscriber, passed



Charles Tartella

away peacefully on **August 26, 2010**, after a long illness. Charles was born in **Philadelphia, PA on July 10, 1931**. He was survived by his wife **MARGRIT** and a number of cousins and nieces. Charles was a consultant to various health and fitness clubs for 55+ years before retiring to Texas in 1995 where he enjoyed tennis, fishing and dancing. A Funeral Mass was held on Saturday, September 11, 2010 at 11AM at **Emmaus Catholic Church in Lakeway, Texas** and was followed by his burial and a reception in his Memory. Charles had worked with **RAY WILSON** and **European Health Spas** years ago. Ray Wilson said this about Charles, "Charles was my most valuable partner overall. Among many other things in the 1960s and '70s, Charles ran our third of European Health Spas on the West Coast (About

60 clubs). Charles retired after we sold European Health Spas. In the 1980's, as a favor to me, Charles came out of retirement to help train key people in **Family Fitness Centers**, which later became **24 Hour Fitness.**" May **Charles Tartella Rest In Peace.**

•**CORRECTION:** Last month, in our **200th Edition**, I incorrectly reported that **JONATHAN ADLER** had left his role as **CEO of Sport&Health**, the 25-club chain in the **Washington, D.C.** area. My sincere apologies to Jonathan for my mistake. Not long after that August edition was posted online, we received a phone call from Jonathan saying that he was still the CEO of Sport&Health. We posted a correction to our website immediately and wish Jonathan and his Sport&Health Team well. I spoke with Jonathan and apologized, and he graciously accepted my apology.

•**Planet Fitness** has been named by **Inc Magazine** for the third straight year as *one of America's fastest growing companies!* And, Planet Fitness was named as the fastest-growing business in New Hampshire for the second straight year, by **Business New Hampshire Magazine!** Planet Fitness continues to set the pace in the club franchise business in the U.S. now that Curves has had over 2,000 locations close since 2009 and **Anytime**



Norm Cates

Fitness and **Snap Fitness** have placed a greater focus on overseas markets. Additionally, **MARC GRONDAHL** has been named the **Chairman of the Board** of Planet Fitness. You can read the details on the story beginning on **Page #3**.

•**Welcome Back** to **CLUB INSIDER Advertiser, World Gym International.** They have some very exciting franchise news, so be sure to see the **Press Release** on **Page #7**, as well as their **Ads** on **Page #7** and **#28**.

•The **IRS** is seeking to reach out to health and fitness club owners of America to be sure they understand the new **Suntanning Tax Law** included in the health care legislation. I was contacted by a representative of the IRS, and she sent the IRS Memo which is published on **Page #24**. This memo should clarify some questions you may have. **Stay Tuned!**

•**BILL PEARL's** new book, a **1,065-page, 3-volume, 8-year work** he and Co-Authors, **GEORGE** and **TUESDAY COATES** and **RICHARD THORNLEY, Jr.** wrote, called *"Legends of the Iron Game... Reflections on the History of Strength Training"* is completely amazing! I don't know how many of you have your own industry library, but I would urge you to start one by acquiring this work. If you have one, buy this book for sure. Go to **www.billpearl.com**, and you'll be able to preview the book, page by page, online before *(See Norm's Notes Page 5)*

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...Norm's Notes

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ordering. Hurry though, so you can acquire one of the 250 autographed copies that Bill Pearl is making available. This is a collector's item you will cherish. Thanks to **JERRY KAHN** for arranging to have the three volumes sent to me in the order he had already placed. **Stay Tuned!**

•**KERRY CAMPBELL** has been named the new **Executive Director of The Mid Atlantic Club Management Association**. **Congratulations Kerry!**

•**PAUL RICHARDS**, down under in **Auckland, New Zealand**, tells me about what is going on with what is now being called **The SUPER CITY**. Paul writes via email:

"Hi Norm, Auckland is the largest city in New Zealand. We were one of the first to start a modern-day gym 29 years ago... but the local Council (to whom we pay rate/taxes) immediately saw the numbers and decided to do the same 100 metres down the road. They also owned some land just to one side of our front and erected a large sign directing people to their gym. Since that time, the team and I have worked very hard to build our clubs to eleven locations. But, the entire time we have battled and tried to convince local politicians that they shouldn't use our taxes to compete against us. In Auckland, there have been around seven area Councils responsible for their own vicinities. But, a Government directive has ordered the city to combine into one "SUPER CITY" (a million people)... this

will be done before November. Right now, many are trying to be elected to run it, Mayor, etc... hence I believe now is a good time to get their 'ears.' But, over the last week, we have realized that the current Councils are making a mad dash to fully commit the future Council to debt funding of a number of health clubs, while they can. The new structure will then be committed to building. Despite a poor economy, they are racking up hundreds of millions in future debt, and in some cases, committing to building clubs right next to independent operators. It's scandalous, although trying to get the person in the street to care is very hard. So, I'm working on trying to get media to print letters, etc. from the 'waste of your tax money' point of view."

My heart goes out to Paul Richards and his wife because they're getting a mega dose of what United States health and fitness clubs must put up with while competing with the not-for-profit Ys, JCCs and parks and recreation facilities. However, my guess is that University Fitness Centers are the closest thing we have to compare right now to the New Zealand situation Paul describes. One thing is for sure. This could happen in America some day, and we're going to need **IHRSA's** help to stop it from happening! **Good luck, Paul and Team!**

•**VISUAL FITNESS PLANNER (VFP)** has grown dramatically in the last six years from **140 clubs** to over **750!** I'm pleased to report that **DARON "Rocketman" ALLEN** and **VFP Team** is bringing together the talents and skills of **VFP, TouchPoint**

proactive lead management system and **GYM I.Q.** financial intelligence to create what they're calling the **Visual Fitness Planner Sales Fusion**. Check out the **Article on Page #3** by **MICHAEL SENA** and my brief interview with Daron on **Page #6**.

•**CARY WING, Ed.D.** has joined **CLUB INSIDER** as a **Contributing Author**. Cary was formerly the **Executive Director** of the **Medical Fitness Association (MFA)** and left the Association last month after ten years. Going forward, Cary will be collaborating with organizations and companies to unite fitness and healthcare and grow the medical fitness industry. Cary can be reached at **carywing@aol.com**. The **MFA** provides a very important bridge for club owners to take their club(s) from an ordinary operation to a medically-integrated fitness center operation. For example, two very prominent club organizations, **PHIL WENDEL's Atlantic Coast Athletic Clubs** and **LLOYD and ROBERTA GAINSBORO's Dedham Health and Athletic Complex** had their clubs **certified by MFA** a few years ago and their clubs are **just booming**. Cary has indicated to me that, even though she no longer works for MFA, she expects her **Contributing Author** work for **CLUB INSIDER** to be helpful to club owners who may not have yet seriously contemplated moving their club into the medical fitness world. Because of that, she expects the **MFA** will benefit from her **Contributing Author** writings, as well, which we all hope will happen. Check out the **MFA Ad on Page #28** and contact the **MFA**

today! **Stay Tuned!**

•**Congratulations to PHIL WENDEL** and his **Atlantic Coast Athletic Clubs (ACAC)**, as they'll be honored in Chicago with **Club Industry's Best Non-Member Program Award**. Phil and his **ACAC Clubs** were featured in our **April 2009 CLUB INSIDER Cover Story**.

•**Johnson Health Tech** has announced that **NATHAN PYLES** has been named **President of Matrix**, taking over for **CHRIS CLAWSON**, who was appointed **President of Life Fitness** last month. Additionally, **BOB ZANDE** has been promoted to **Chief Operating Officer** and **Chief Financial Officer** of **Johnson Health Tech**. **Congratulations to Pyles, Zande and Clawson**, as they all move along in their new roles!

•**DONNA KRECH**, the totally-dedicated and extremely hard-working **Founder and Owner of Thin&Healthy's Total Solution** debuts her client testimonial videos this month. Each month, starting with this issue, **Donna** will showcase the success stories of four of her **Thin&Healthy** clients with a brief article about them, and then, you can meet the client online via video links at **www.clubinsideronline.com**. So, check out her **Article on Page #20** and her **Thin&Healthy Ad on Page #21**.

•**DEAN SBRAGIA**, **CEO of Med-Fit Systems, Inc.**, the company that bought **Nautilus** commercial strength and cardio equipment company, completed the purchase for **Nautilus'** (See *Norm's Notes Page 8*)

JLR Associates
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Thank You!

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Visual Fitness Planner Launches VFP Sales Fusion System

By: Norm Cates

CLUB INSIDER is very happy to have supported the mission of Visual Fitness Planner (VFP) for the past six years with VFP's advertising placements and our editorial support from time to time. As VFP launches their new Sales Fusion System, they're combining the power of three high-tech organizations, **Visual Fitness Planner, TouchPoint Technology** and **Gym I.Q.** to create a powerful new system called the **Visual Fitness Planner Sales Fusion**. We're pleased to provide this brief interview with **VFP CEO, Daron Allen**, about the new VFP Sales Fusion System.

An interview with Daren Allen, CEO of Visual Fitness Planner

CLUB INSIDER (C.I.) - What year was it when we met here for lunch? I recall you had about 160 clubs signed on with VFP back then. How many clubs do you have onboard with VFP now?

Daron Allen (DA) - Norm, it seems like it was 2004. Wow, time flies! We have just crossed over the 750-club milestone... and continue to deliver great value for our clubs.

C.I. - I know VFP has evolved significantly since then. Please share that evolution with us.

DA - Well, we are now in our 11th year and *dramatic evolution* is the perfect way to describe how our company has changed over that time. I will try to keep this short, but we have transformed our technology so dramatically that

it is difficult to quickly describe. We started out with our very intriguing body morphing avatars to visually motivate and educate people to take action on a healthy lifestyle change. We added our Health Risk analysis and Health Age calculation shortly after. Our **BIG BREAK** came from two of our best customers... Goodlife Fitness (David Patchell-Evans) and Lifestyle Family Fitness (Geoff Dyer). They both pushed VFP to *customize* our solution to fit their unique sales processes. Once they pushed us to change our business model, we began to take off.

Since that time, we have built over 200 customized sales systems for clubs throughout the United States as well as clubs from Canada to New Zealand. During that time, we have continued to improve and expand our technology offerings to be able to completely automate the entire sales systems for clubs for membership, personal training and all ancillary sales. The custom technology solutions we now provide to clubs *identically* match and mirror the uniqueness and "secret sauce" of their sales systems. And, we are absolutely fired up about our most recent initiative... our exclusive VFP Sales Fusion solution. This new solution includes two new modules which provide a turnkey sales solution to generate more leads, close more sales and gives the ability to track it all in real time in one place.

C.I. - Please tell us about TouchPoint and Gym I.Q.

DA - VFP is now the exclusive distributor of TouchPoint technology, powered by InTouch. This web-based sales system guarantees that no leads ever fall through the cracks. TouchPoint is the only sales tracking/lead management system that was built specifically for the health club industry. There are two amazing benefits from this system... it is completely proactive in generating and following up on leads, and the ROI for clubs is easily documented. The average club is increasing its non-walk-in sales by 50% with this system. The 'magic' is the guaranteed 9-11 points of contact the system's Smart Scheduler generates through email, SMS text and phone calls. The average club typically only touches leads 2-3 times. We have posted a White Paper outlining documented results on our website at www.vfpsalesfusion.com. Gym IQ is the second module that we have added... and this system is the brain-child of several top club operators in the country. It provides a real-time visual dashboard of the key metrics for your business. Customers can go to one place and visually see the health and progress of their business including, but not limited to, membership sales, total revenue, personal training sales and added EFT. Gym IQ actually provides club operators with *business intelligence* to manage their business proactively... rather than waiting for reports to be compiled and come in.

C.I. - Please tell us about



(L to R) Warren Webb, Daron Allen and Sam Lansa

your plan with TouchPoint Technology and Gym I.Q. **DA** - Norm, we have now had the honor of working with many of the very best operators around the world. Through this, we have learned many things... with the most valuable lesson being the power of automating sales systems. We passionately believe the following: Execution is the key to your clubs' success... and *systems drive execution!* In order for a club to truly succeed, it must execute its sales systems flawlessly. The new **VFP Sales Fusion** does exactly that. It provides a turnkey system that allows a club operator to execute daily with its sales systems. Norm, I have been in the industry as an operator and running Visual Fitness Planner since 1993. I have found that most clubs *never* put a true *system* in place to operate their business! I am convinced that many clubs rely

on their top producer, and then, simply hope for the best! They have no *true turnkey systems*. In order to overcome many of the issues clubs face today, they need a system. They need to make sure that they *operate the system* rather than simply managing their people. This means knowing their *key performance indicators every single day*, then managing off of the KPIs that the system generates. The KPIs will alert you to where you should focus your time, effort and energy, and success in your club will follow.

• • •

Thanks Daron for giving us *the inside story* on your new VFP Sales Fusion System launch! We wish you and all your current and future customers the very best as you roll the new system out!

...Sales Fusion

continued from page 3

nology works inside your club by providing automatic emails, automatic SMS text messaging and automatic scheduling of follow-up calls for your sales staff. As a club owner, you cannot afford to let leads fall through the cracks. The TouchPoint system

will provide you with automatic reports showing how many points of contact you have made for every lead.

Visual Fitness Planner provides a custom presentation of your club's sales process. By providing your staff with a kiosk-style selling station, you are assured that every presentation maximizes the features and

benefits of your facility. The Visual Fitness Planner provides the prospect with an engaging assessment of their individual health risks, goals for body modification and health age, which establishes the prospect's need for your health club. This technology has been proven in over 750 health clubs to increase closing rates of membership sales

and personal training. As a club owner, you cannot afford anything but the best sales presentation in the industry.

GymIQ financial tracking provides you with business intelligence. It is a dashboard of the most relevant financial numbers a club owner needs to manage their business. What gets measured gets accomplished, and

with GymIQ, you'll be able to keep an updated track of the most important financial numbers in your business.

(Michael Sena is the Visual Fitness Planner Regional Director of Sales for the Midwest and may be reached at michael@myvfp.com or 219-707-6113)



TouchPoint



VFP



Gym IQ

World Gym Expansion Continues

World Gym International Signs More New Franchisees

LOS ANGELES, CA - World Gym International announced the signing of two new franchisees, a Master Franchise Agreement for India and a conversion of the long-time and highly-successful Popeye's Gym in Ontario, Canada.

"We're excited about our continued global expansion," said World Gym Managing Director, Guy Cammilleri, "We are proud to have such experienced and successful partners decide to join the World Gym network. It's evidence to us that we continue to lead the brand in the right direction."

Eco Fitness, a division of the Sadguru Group of Companies, has signed a long-term Master Franchise Agreement with World Gym for India. They will immediately convert their existing state-of-the-art facilities into World

Gym facilities. In addition, they plan to convert their renowned training academy to The World Gym Institute of India to support franchise growth nationwide.

World Gym India will be run by Eco Fitness CEO, and respected industry veteran, Vinith Shetty. Shetty has been a teacher, trainer, gym manager, Academy manager and CEO as well as a personal trainer to numerous "Bollywood" stars.

"Eco Fitness is one of the most modern and well-equipped premium health and fitness clubs in the Mumbai suburbs. They combine a world class upscale setting with the finest trainers and experts in the fitness industry," explained Jim Teatum of Global Business Systems/The Fitness People who introduced the two parties. "It was a natural fit with the World Gym brand heritage."

Also signing with World Gym this week is Popeye's Gym of Kitchener Ontario. Popeye's was founded by Marty Hodgson in 1976, the same year Joe Gold founded World Gym. The 20,000 square-foot gym is one of the most innovative fitness centers in North America with meticulous attention to member needs, programming and training. Marty and Sherry Hodgson, along with their son and General Manager, Wes, have exciting plans for their existing gym and ambitious growth plans for the future, making them a perfect fit for World Gym.

"In the year and a half since Chairwoman Joyce J. Cammilleri bought World Gym International, our focus has been two-fold," explained Helen Rockey, Chief Operating Officer, "First, we will restore World Gym

to its former glory, and second, we will focus on maximizing franchisee profitability."

One key to franchisee profitability is the expansion of World Gym's vendor network. Led by Vice President of Gym Development, Bill Windscheif, the World Gym vendor network has quadrupled in the last year. "We can deliver better pricing, service and warranties for Franchisees than ever before" said Windscheif. "Individual owners now have global buying power," he added.

The most recent addition to World Gym's vendor network is DG International, an apparel and promotional products provider. DGI, based in Kansas City, MO, has developed an extensive catalog of World Gym apparel, offering gym owners great selection, competitive

pricing and quick turnaround.

"Gym owners tell me that non-members visit their gym simply to buy the vintage Gorilla tees," said Guy Cammilleri. "Often, these non-members can be converted to members once in the door."

"Nothing makes us happier than to witness World Gym Franchisees from around the world impacting the lives of their gym members daily," added Chairwoman Joyce J. Cammilleri, "The continuous addition of new gyms to the Family excites us tremendously as it is evidence we are making the right investments in the brand and helping the gym owners be more profitable, which ultimately, allows them to positively impact more lives."

For more information, contact Chief Operating Officer, Helen Rockey, at (206)409-1937.

WORLD GYM

JOE GOLD

Joe Gold. Fitness pioneer and legendary founder of World Gym. Venice, California 1976. Convert your facility to the most famous name in fitness, World Gym. Special franchise conversion packages available. Give us a ring. 1-800-544-7441. www.worldgym.com

...Norm's Notes

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commercial manufacturing and warehouse facilities in **Independence, Virginia**, on **August 27th**. The purchase includes a 262,000 square-foot plant and a 56-acre campus, and it was all acquired for an amazingly-low price of \$2.1 million! The initial purchase of assets of the Nautilus commercial products division on February 19, 2010, included an option to buy the plant by August 31, 2010. Sbragia commented, "Now that we have complete ownership of the facility, we will be better able to utilize and expand the plant's manufacturing capabilities. We have already initiated the move to bring our Asian-based cardiovascular equipment back to Independence, Virginia, where

we will have better quality control, while providing more jobs for Virginia." Good on you, Mr. Sbragia, for your Nautilus acquisition and for bringing lots of jobs back to America!

• **The Sports Club/LA - Boston** has teamed up again with the **Girl Scouts of Eastern Massachusetts** to help Girl Scout volunteers teach their troops about fitness in a fun and interactive way using a training curriculum developed by the club. Private trainers, **TRACY MARTIN** and **ANN BRUCK**, from The Sports Club/LA - Boston designed an easy-to-follow and fun fitness training program that will help troop leaders set girls on a path to health and wellness. The curriculum offers tips, ideas and tools volunteers will need to facilitate Girl Scouts earning

the **Fun & Fit** badge, which signifies learning how to be fit and healthy through fun activities that encourage routine exercise.

• **TOM BUTLER**, longtime partner of **GORDON JOHNSON** in three **Gold's Gyms** in the suburbs of Atlanta, has retired after **26 years in the business**. Tom will continue to serve as an advisor for Gordon. But, his primary focus will become tending to his Mother, who is very ill, and the development of his new career in art, a talent he discovered and nurtured in recent years. **Best wishes, Tom!**

• **The Invasion of Germs...** Ahhhhh, one of my favorite club industry subjects, *club cleanliness*. **GEOFF DYER**, **Founder of Tampa, Florida-based Lifestyle Family Fitness**, recently sent me an article from the **New York Times** entitled *Invasion of Germs* which chronicled the challenges club owners have keeping their facilities and equipment clean. One of the best ways to help keep your clubs and equipment clean is to get your members involved,

and one of the best ways to get them involved is by providing them with the **Gym Wipes Products**. Check out the **Gym Wipes Ad Below** and contact **LINDA GIAMMANCO** today!

• We call him "**Brother Beusman**," and I'm really looking forward to seeing **CURT BEUSMAN, PhD**, receive **Club Industry's Lifetime Achievement Award** in **Chicago** on **October 8th**. Kudos to **Club Industry Author, STUART GOLDMAN**, for his excellent work on the *Club Industry Magazine's* September cover story about Curt. Kudos also to **MARTY McCALLEN, Publisher; PAMELA KUF AHL, Editor**, and their team, as the glossy magazine continues to receive nice honors. If you've not booked your flight and hotel accommodations for the **Club Industry Show in Chicago, October 6-8th**, I urge you to do so! It will be worth every penny of your investment to be there attending the seminars and the trade show. **Stay Tuned!**

• **FISERV** has announced that the **Jackson Hole Health and Fitness** of Jackson Hole, Wyoming, has chosen to implement its **Compete** club management software, among other Fiserv services. The new health and fitness center, opened by three partners who are club industry veterans with a combined 60 years of experience, selected **Compete** from Fiserv for its ability to support the business' core value, "**member service is the #1 focus**."

• **In-Shape Fitness** has announced that it will build and open a second location in **Manteca, California**. The firm started in 1981 and has 41 locations in California.

• **KYLE ZAGRODSKY, iGo Figure Software CEO**, announced that the **iGo Figure Membership & Business Management Software** is now available in **Mandarin** and simplified **Chinese**. "We saw the growth of the Chinese fitness market and started receiving more requests to translate our software to Chinese," said Zagrodzky. (See Norm's Notes Page 26)

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...Fitness Coaches

continued from page 3

the Fitness Coach Program, John and his team are accomplishing this novel idea, and something intriguing is happening... While truly striving to take care of the *needs of the member*, the needs of the club are not suffering, but instead, flourishing.

To properly explain the Fitness Coach Program, the concepts that drive it and the elements that comprise it, you will hear from John Miller, providing a bird's-eye view. Additionally, you will hear from Rich Boggs, CEO of Body Training Systems, providing additional insight into those concepts and elements. Finally, along the way, and providing more specifics on the ins and outs of the program, you will hear from key Courthouse Athletic Club staff members David Graham, Vice President of Operations; Phil Crook, Membership Services Director and Justen Maron, Fitness Director. With that, let's begin.

An Interview With John Miller, President of Courthouse Athletic Clubs



John Miller

CLUB INSIDER (C.I.) - When and how did the Fitness Coach Program originally begin?

John Miller (JM) - It's hard to believe we've been chipping away at this for twenty years. We've done a lot of things over the years. When we first started, Sandy Coffman gave us some help. She pointed out that we had some people on staff in the club that were what she referred to as 'fitness center sentries.' They were on the fitness floor, and they were there just in case a member needed help. Their natural gravitational pull was to people just like them, people who loved fitness. They were spending all of their time with the people

we were least likely to lose. So, we took her advice and took the money that we were spending and created the position of Fitness Coach and said, 'Your job is to pay attention to people that we are most likely to lose.' Primarily, it was focused on new members. Now, we have been running with The Retention People (TRP) for the last two years, so we have changed that focus to now pay attention to a little more sophisticated way of identifying people at risk.

CLUB INSIDER (C.I.) - Please explain the concept behind the Fitness Coach program.

JM - We looked at not just the number of people who were leaving, but how long we had kept them and who was leaving. When we did that, we discovered that, in a typical month, of the people who left and quit their membership, we were losing about 35% within the first four months and another 25% in the second four months. We thought, as opposed to 'how do we just close the back door,' how do we take steps towards closing the back door, an inch at a time, by reducing what we came to refer to as 'Infant Mortality?' We looked at it like the population of a small island. What would be your first concern? Well, your first concern would be infant mortality. You know, if you lose a person who has been with you for ten years, you hate to lose that person, but you feel like you were more successful if you lost a person after ten years than if you lost a person after ten weeks. So, that is what we started looking at. Why are we losing these people so quickly? We started putting systems in place to improve that. At that point, our median lifespan was about eight months. We now have that up to nineteen months. That's an average for a year. We have some months that are a little less, and we have other months that our median gets all the way up to 22-23 months.

A Red Shirt

Rich Boggs and I have known each other for years, and we have been wrestling with this problem together. I like his analogy; if all the people in your club who are on their last visit were wearing a red shirt, what would you do? The answer becomes apparent in the sense that you need to do something. You interact with them in some way.

Now, there's probably a thousand different ways you can interact with them, but you wouldn't just say, 'Oh well,' and ignore them. So, we did the same thing. There are a lot of things you can do when you discover you have an infant mortality problem and start to attack it. We've done a lot of things over the years. Now, our infant mortality represents typically less than 10%.

C.I. - What are some of the specific elements that make the program a success?

JM - Right now, The Retention People is the crux of the whole thing. With TRP, members are categorized as 'lapsed,' 'high-risk' or 'low-risk.' Well, the people you need to spend the least amount of time with are the *low-risk*. The people you really can't do anything about are the *lapsed* because they are not in the club and haven't been there. So really, we spend all of our effort on the *high-risk*. Based on how they



Member One-on-One With a Fitness Coach

crunch the data for each member, TRP provides an updated risk rating for each member as they check in at the front desk. That risk rating indicates the risk that this is the member's last visit before they quit. We then focus all of our coaches' time on those high-risk members.

The thing we have really enjoyed with TRP is, before, coaches would spend a lot of time in their offices because a lot of their effort was spent trying to reach their client load who were not in the club; but now, it really forces them out into the club, into

(See *Fitness Coaches* Page 12)

Comment From David Graham, VP of Operations

CLUB INSIDER (C.I.) - When did you join the Courthouse team, and what roles have you held since?

David Graham (DG) - I joined the Courthouse in November, 2000, as a part-time, early morning Fitness Coach. In August of 2001, I applied and was selected for the GM position of our West Salem Club. In 2006, I was appointed Vice President of Operations, responsible for General Manager, Maintenance and Janitorial department supervision. Currently, I am Vice President of Operations and the General Manager for our Keizer Club facility.

C.I. - Having begun as a Fitness Coach, what are some of the challenges of dealing with at-risk members?

DG - Doing the correct needs analysis in the beginning and communicating directly what we know is best for the member in obtaining results, then establishing means of connecting with our members on a regular basis.

C.I. - On the other side of that previous question, what are some of the joys of a job well done with an at-risk member?

DG - Watching members obtain results, sharing the joy and delivering encouragement. It is always nice to hear from a 'raving fan' who is passionate about their lifestyle changes!

C.I. - Please tell us about the job of coordinating strategy for the Fitness Coach Program through your GMs across multiple locations. Do you aim for full consistency across all locations, or do you also try new things at individual clubs before implementing system-wide?

DG - We have made a commitment company-wide that the 'heartbeat' of what we are and do is group exercise. This service delivery will separate us from other clubs and the competition and set us clearly apart. A purposed investment in program delivery (for us, Body Training Systems), outstanding instructors, first class group exercise rooms and sound systems, with an atmosphere of fun and encouragement is making a difference for our members. 34 % of our member usage is currently in group exercise, and we know that members who 'get connected' are more likely to retain their memberships.

With this company vision we are on the same page across the board. All of our Fitness Coaches are expected to be group exercise certified and most teach at least one BTS group format in their club. We aim for consistency with what we do and how we deliver it, but we also have room for creativity and individual expression as we try to give the member what we believe is best for them and the unique community club culture.

We have weekly 'core team' meetings within our clubs, monthly fitness coach meetings and bi-monthly Management meetings to keep a pulse on what we do well and what we can do better. Also, given that we have five clubs, we occasionally will try something unique at one facility as a trial run before investing company-wide with a particular project or program.



David Graham



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...Fitness Coaches

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the classes, onto the cardio floor, the weight room floor, the pool, just wherever because they have to track these people down. When they do that, they can't help but also interact with the low-risk members because they know them. The people that are low-risk are the ones who are in here all the time, so they are the ones you actually know, and just by circulating around the club, you interact with them as well.

With TRP, it's really two things. It's identifying who's at risk and giving your staff a tool to manage those interactions, so you are interacting with them in an intelligent way. Just as importantly, it gives management information to make you, as a manager, feel confident that money you are investing in staff and the work they are putting in is really happening, which was always a challenge before we had TRP. It was always hard to somehow really know if your team of coaches was being effective with their time. Before TRP, we would spend a lot of time reaching out to people who were not in the club. Since then, we have just accepted on faith that we are more effective placing all of our effort on the people that are in front of us, so we can interact with them face-to-face.

C.I. - Once a Fitness Coach has connected with that high-risk member, what do they do in terms of trying to bring the member's risk level down?

JM - That is a great question and an evolving one. In a way, we have done a lot to move the science of exercise independence forward. But, in another way, we are still at the beginning here. We are kind of like Edison when he figured out he could make a filament burn for fifteen minutes. We're still a long way from the modern light bulb, so we've got an awful lot of work to do. One of the things we have tried to do is to really get these people into group exercise because so many of them are not there. Back in the early days of the program, coaches would spend an awful lot of time with a new member because 85-90% of new members, when they come in and you ask them what they want to do, they will tell you, 'I want to do weights and cardio.' We would simply oblige them. We'd do a great job. We'd service the heck out of them, setting them

up with a weights and cardio program, but then, we'd try to get them to stick with it. We'd set up a day and time each week that we'd meet up with them for their first four months of membership. Then, they wouldn't show up for their day and time, and we'd call them... We have tried so many different things, but at the end of the day, what the person wants is to become an exerciser.

Sandy Coffman and I agree, and we've said this so many times over the years, to so many people. In this country, we have about 20% of the population that is exercise independent. Most clubs are in the business of fighting over that 20% with the other clubs in town. You have 20% on the other end of the scale that are die-hard coach potatoes. You are not going to move them with a stick of dynamite. We can't help those people, and they are not coming in our door anyway. Then, you have 60% in the middle that believes exercise is important. They believe they should be doing it. They want to be more physically fit, look better and feel better. They believe in all the benefits, but they just can't seem to stick with it. Those are the ones that we think there are real opportunities with, but it's really hard. There's a lot of failure involved with it. I compare it to being a baseball player in the major leagues. If you can bat .200, you're worth \$1 million a year. If you can bat .300, you're worth \$8 million a year. The difference is one guy fails 8 out of 10 times, and the other guy fails 7 out of 10 times. That is what this business is kind of like. We probably fail more than we succeed, but I think we succeed more than most clubs. And again, I believe you measure success by lifespan.

So, one of the things we try to do is to get them into group exercise, but the other thing we try to do is to get them connected to the club and into a routine they can adopt as a lifestyle. I think this business is a lot more about psychology than it is physiology because we're not training anybody for the 2012 Olympics here; we're just trying to get them to show up. I think that we kind of have this resource (fitness coaches) now pointed at the right target through the science of TRP. The next step forward will be more of sharpening the spear. What I mean by that is developing the skill of interacting with high-risk members so as to influence their behavior. Right now, our

coaches are beginning to apply some of the methods for achieving behavioral change that we learned about from Chip Heath, with his presentation at IHRSA and his book *Switch: How to Change Things When Change Is Hard*.

C.I. - What advice would you give to a club owner wanting to implement a program based on a similar concept and with similar elements all working together (i.e., fitness coaches, The Retention People, group exercise, etc)?
JM - I think that, and Rich (Boggs) would probably tell (See *Fitness Coaches Page 14*)



Group Exercise at Courthouse Athletic Club

Comments from Phil Crock, Membership Services Director

CLUB INSIDER (C.I.) - When did you join the Courthouse Team, and what roles have you held since?

Phil Crock (PC) - I joined the Courthouse Team in 2001 as a service desk attendant opening the club during the week. One year later, I was managing one of our five clubs, which I did until last month. Currently, I am the Member Services Director, leading our Fitness Coach Department and Member Service Center.

C.I. - Now overseeing the Fitness Coach Program, what do you feel are some of the keys to its previous success as well as continued success in the future?

PC - The Courthouse Athletic Club is a company that thrives on change. One could say that the only constant within our company is change. As a result, our staff has learned to embrace that philosophy in our club culture. When we changed our group exercise program to Body Training Systems (BTS), it involved getting freestyle instructors certified in one of the BTS formats, getting support from the entire management team that this was the new focus and getting all fitness coaches certified to teach a class. Currently, every club manager, assistant manager and full-time fitness coach teach classes within their clubs. This demonstrates a belief from the staff that these programs work and will get results. When we adopted The Retention People (TRP) program, we had the same buy-in from the management team, rolled it out to the fitness coaches, and then, the trainers. In leading this department from this point forward, I am confident that my current team will face every new challenge with the same positive attitude and eagerness that has become known as The Courthouse Way.

C.I. - Please tell us about the integration of The Retention People system into the program and the value of truly knowing the name and face of an at-risk member.

PC - TRP was integrated simply and easily into our Fitness Coach Department. Adding TRP as an additional focus for our fitness coach team required direction on our part, which involved initial training on how to interact with a purpose and to incentivize those quality interactions. Shortly after the program began, our coaches quickly found value in being able to locate a member who had not been in the club and to be able to use his name immediately. We have received many letters from members saying how wonderful it was that someone remembered their name after not being in the club for six months. What a powerful tool that is for the club.

C.I. - Once an at-risk member is identified, what is the typical process for approaching them and trying to help them better utilize their membership?

PC - We created a 4-step process to work hand-in-hand with the TRP program that our fitness coaches could use to track the progress of our new members while still interacting with the existing members.

The first step is the induction process. This is an initial appointment with a prospective member to discuss rates, tours, trials and joining. The second step is the getting-started appointment that enables the fitness coach to sit down and discuss goals, exercise and medical history. Thirdly, there is the class intro appointment that the coach takes the new member in to an agreed upon class and gets him set up and introduced to the instructor. Finally, the follow-up consultation takes place right after the class is over to establish how the member liked the class and whether he felt successful.

This process can take as long as needed to ensure the member is connected to the right format and is feeling comfortable and confident on their own. Meanwhile, our existing members are still getting the attention that they require by TRP leading our coaches to those that are struggling with being consistent club users. Our coaches have many resources within their 'toolbox' to help that member find success. Such resources could be the Courthouse Nutrition Program, Pilates, racquetball leagues or one of the Courthouse Trainers who have even more resources in his toolbox.



Phil Crock

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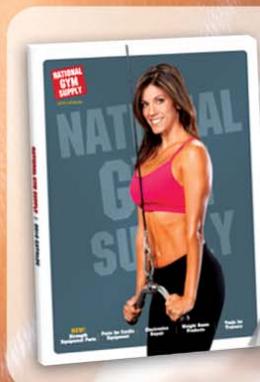
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...Fitness Coaches

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you, if you are going to develop a good group exercise program, you can't do it in half measures. You really have to go all the way, and to go all the way means spending money and putting resources into it. I think club operators tend to get that with group exercise. Some of them decide to do it and some decide not to. I don't think, by and large, club operators really view this program in the same way. In order to do this effectively, you have to spend a lot of money, and for a lot of operators, it's a new expense. With us, we didn't do it that way. I think club operators view fitness staff as a given. All along the way, we always looked at redirecting resources, as opposed to spending more money. One of the things we did, probably three years ago now, was we decided to merge our sales and coaching staff. We used to have a staff of coaches and a staff of membership salespeople, and we decided we would be more effective if we basically eliminated our sales staff, simplified our sales process and allowed our coaches to sell memberships. But, in doing that, we also doubled the size of our coaching staff.

Back in the very beginning, we didn't decide to start this and go out and hire a bunch of fitness coaches. We decided to convert our existing fitness staff into coaches, and that was an interesting process. We basically pulled that group of people together and said, 'This is what you are doing now, and you are only doing what we have asked you to do in being these Fitness Sentries, but we are going to ask you to do something different in the future.' We had several of them that said that's not what they wanted to do. We know the low-risk members are serious and more fun to work with, but from an economic standpoint, we don't have to work to try and keep them here. Where we need the effort is keeping the 60%ers here. So, we had some of them that said, 'I'm out of here,' and we parted happily and said, 'We understand. It's no big deal.' When we did this with the sales department, it was kind of the same thing. Because we had dedicated staff to sell memberships, we really allowed our membership process to get unnecessarily complicated. When people would come in initially, what we ended up doing over the

years was we allowed ourselves to make the conversations about membership. We don't want it to be about fitness, we want it to be about membership, so we really simplified our whole membership process quite a bit. Now, when they come in initially, they talk with a fitness coach, and the conversation is about fitness. All of our coaches are also group exercise instructors, so in a lot of cases, when they come in and are encouraged to do group exercise, they are actually invited to come to that coach's class.

Coming full circle, and going back to your first question, I think there are a lot of different ways to do this right when you identify this infant mortality problem. We sort of did the obvious and things that made sense, and really, that's all we've tried to continue to do. I would say it starts with really indentifying the problem. If a club doesn't have an infant mortality problem, maybe the things we are doing really aren't for them. But, I would be surprised if most clubs don't have one. I really don't believe most clubs are even analyzing this. If they did, I'd be surprised if they didn't find a similar problem, and I would be interested in what their solution would be. We have done what we've done because it's made sense to us, but there are a lot of good operators out there that I would love to share stories with if they are tackling the same problem.

An Interview With Rich Boggs, CEO of Body Training System

CLUB INSIDER (C.I.) - When and how did you and John Miller get to know each other?

Rich Boggs (RB) - It was in the mid-1990s, we worked together on a project that was an idea started by Coach Dick Brown, who coached elite and Olympic-level runners. Brown had developed a system called LEAP which tracked activity. We developed a kiosk which enabled people to enter their activity and earn LEAP Points. It was one of the early, cutting-edge uses of technology for exercise. John was very aware of helping people find the right kind of exercise for them and to ensure they would keep them doing the proper duration and intensity to become a long-term exerciser. Coach Brown felt you should work twelve weeks and take one week totally off to let your body recover. He did this

with his elite athletes, and it's a great thing because you need a break from the routine, both physically and mentally. A person could earn LEAP Points for virtually any activity. You enter the intensity level, the duration of exercise and the type of exercise, and the kiosk software would then give you a certain number of LEAP Points. I found John to be very smart, analytical and very interested in what we did with people after the sale of the membership, which in the mid-90s, was not in vogue. He has a great amount of knowledge and is really a serious student of the exercise business.

C.I. - What are some of the keys to the Fitness Coach Program?

RB - What John did was assign each Fitness Coach about 150 members. It was the coach's responsibility to help those members become exercise independent in a 3-4 month window from the time they joined. That was the concept. He termed the concept of 'infant mortality,' which I think is very good because, if you look at



Group Exercise at Courthouse Athletic Club

a new member as an infant, he wanted to minimize them dropping out. That was the fitness coach's responsibility. How do we keep from turning people off or give them the right amount of assistance so they are successful? The key was the ability to measure the success of a coach's group of people as they graduated after 3 or 4 months. Did a member make it to the 4th or 5th month? The fitness coach's

responsibility was very similar to a salesperson. A salesperson had a responsibility to sell a membership; the fitness coach had a responsibility to integrate that new member into the club and not just take their money. That was another major breakthrough.

C.I. - Now aided by The Retention People (TRP), and touching on the analogy of an 'at-risk member' (See *Fitness Coaches* Page 28)

Comments From Justen Maron, Fitness Director

CLUB INSIDER (C.I.) - When did you join the Courthouse team, and what roles have you held since?

Justen Maron (JM) - I began as a Fitness Coach in 2004, was promoted to Head Coach of the Battle Creek club in early 2005 and then became Fitness Director (head of all the Fitness Coach Department) in 2006. In 2007, we merged the Fitness Coach and Membership Sales departments into one team charged with Sales AND Retention. In 2008, I left that group to take on our group exercise departments, which has over 100 instructors teaching 1,300 classes every month. We have been growing Group Exercise participation about 10% each year over the last few years and are on pace to hit over 400,000 Group Exercise visits this year. Some of our clubs are reaching 40% of their visits to Group Exercise, up from about 10% before we brought in BTS.

C.I. - Having begun as a Fitness Coach, what are some of the challenges of dealing with at-risk members?

JM - Lifestyle change is a challenge. Everyone who joins wants to be successful, but exercise independence is truly rare. Despite our extensive knowledge and having the best equipment, many people fail to get in here after the newness fades.

C.I. - On the other side of that previous question, what are some of the joys of a job well done with an at-risk member?

JM - They are exactly the opposite. Seeing someone succeed through your careful interactions and actually make a lifestyle change makes it all worth it.

C.I. - Tell us about the importance of getting at-risk members involved with group exercise.

JM - It's huge! It took us over a decade of doing it wrong --setting people up with a weight room program and showing them how to use the treadmills-- before we realized that it typically led to failure. We'd all agree that the Personal Training client is probably the most retained member. Group Exercise is the next best thing. It gives our members a social, scheduled and guided experience every time. This is where we have seen the greatest impact in our members' lives. The people that join the group are the ones that stick to it. It's fun to see people who joined the club as 'non-exercisers' change not only their fitness but their confidence and attitude. They might start as a shy new member in the back row of class, but after some time in our Group Exercise tribe, they get connected. The transformation to becoming a 'fitness enthusiast' is fun to watch.



Justen Maron

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Health Club Sales Management Mistakes to Avoid

By: Jim Thomas

Too many health clubs lose money because their sales management team continues to make the same mistakes over and over. These all-too-common mistakes result in poor membership sales. Here are some of the sales management mistakes we see in health clubs:

1. Confusing Product Knowledge Training for Sales Training. Health Clubs spend thousands of dollars and their membership reps spend countless hours trying to keep up with all the new bells and whistles of the latest equipment. Naturally, this leaves little time for any specific health club sales training.

If anything, too much product knowledge can be your worst enemy in health club sales because your membership reps will do a "feature dump" on everything they know during the tour and membership presentation instead of using that time to qualify the health club guest or

asking questions.

2. Hire Only Experienced Health Club Reps. Health Club sales experience can be a great thing, but many times it's not. Too many health club membership reps have sold for years but still have poor selling skills or a lot of bad habits. And worse, they may carry a lot of baggage and can be difficult to manage.

Be on the lookout for the hungry membership rep who wants to improve and aren't complacent.

3. Promoting Top Membership Reps to Club Management. Unfortunately, this hurts you in a couple ways because you take your best membership rep off the front line, and they may not end up being a good health club manager. Many times a top membership sales rep will lack patience and understanding for individuals who may require more time and effort.

A better choice might be the steady-eddy membership producer that demonstrates a

propensity to work well with others. They are typically more organized, well-prepared and communicate well.

4. No Ongoing Sales Training for Membership Reps. Membership sales are the lifeblood of every health club, and it should be treated that way.

By not providing ongoing membership sales training, your membership reps earn less, your health club's earnings suffer and ultimately you jeopardize the future of your health club. The top health club performers always strive harder to improve their skills.

5. No Sales Accountability. Many Health Club sales managers make the excuse of not investing in membership sales training because they don't believe their sales team will utilize it. Worse yet, they leave the decision up to each membership rep.

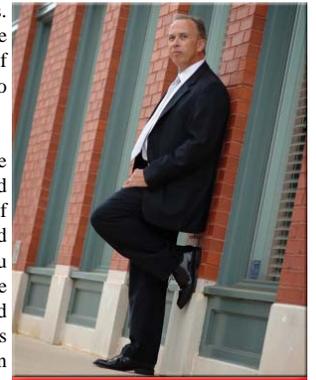
If you are a health club manager or owner, it's your job to make sure your team is prepared

to find new membership sales. This means you need to set the tone of what is expected. If membership reps won't adhere to your standards, they need to go.

6. Hire Poorly. A good rule of thumb, "hire slowly." And don't make the mistake of only recruiting when you need someone. Recruit when you don't need anyone. You'll make better decisions. Hiring a bad membership sales rep often costs health clubs tens of thousands in expenses and lost revenue.

7. No Sales Training Budget. If you don't provide your membership team with the tools and training they need to succeed, don't blame them when membership sales are down or inconsistent. You will either get better, or you will get worse, there is no middle ground.

Without fail, Health Clubs who consistently invest in training for their membership sales reps outperform those that don't make a commitment to training.



Jim Thomas

8. Lack of Daily, Monthly and Yearly Planning. You need to make sure your membership reps come prepared to sell every day. Be sure they have a written plan of action they are following.

At the end of every month, most health club sales people are scrambling to close business. As a result, health clubs lose a lot of money because the membership department caves on price just to make their quota.

(See Jim Thomas Page 20)

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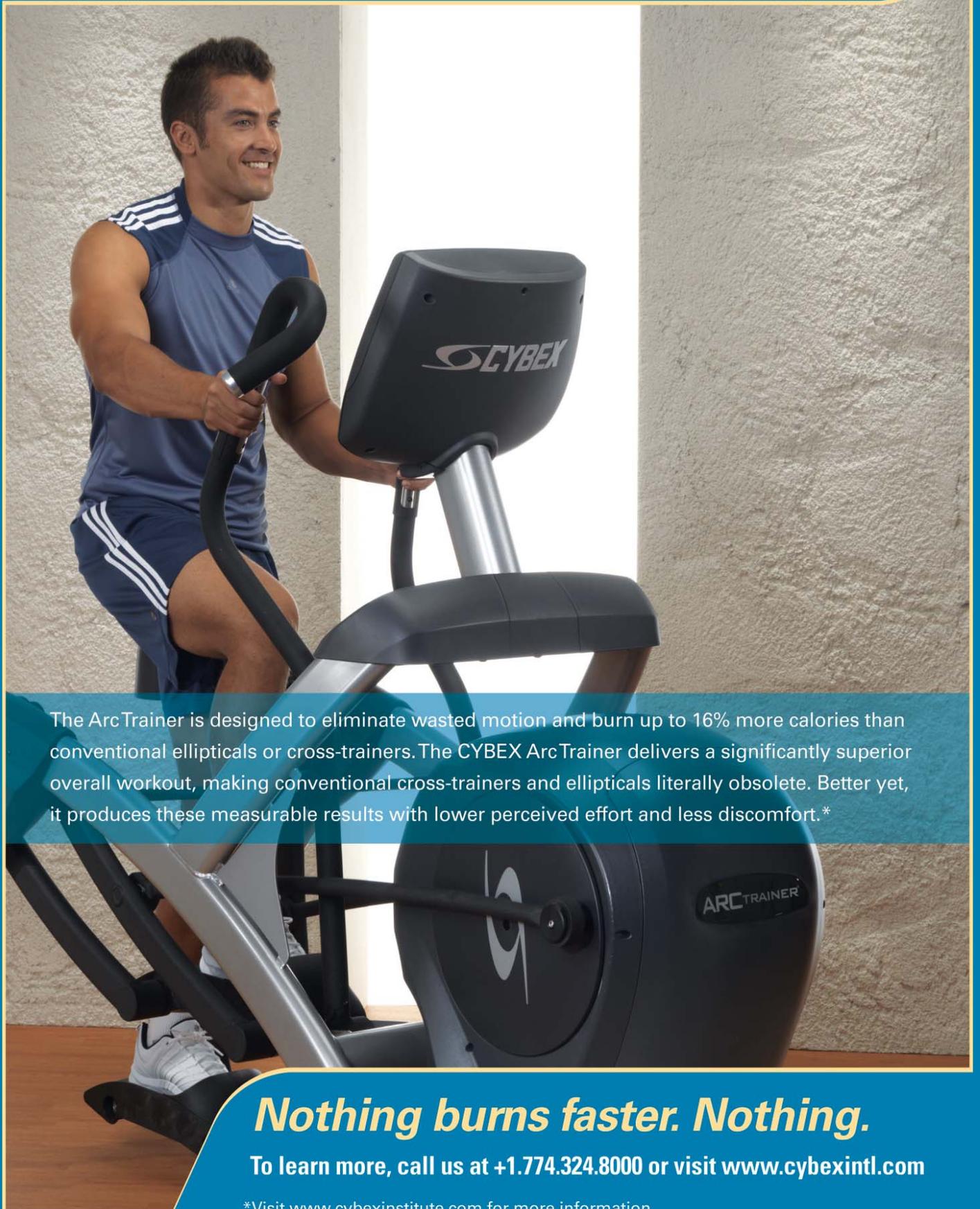
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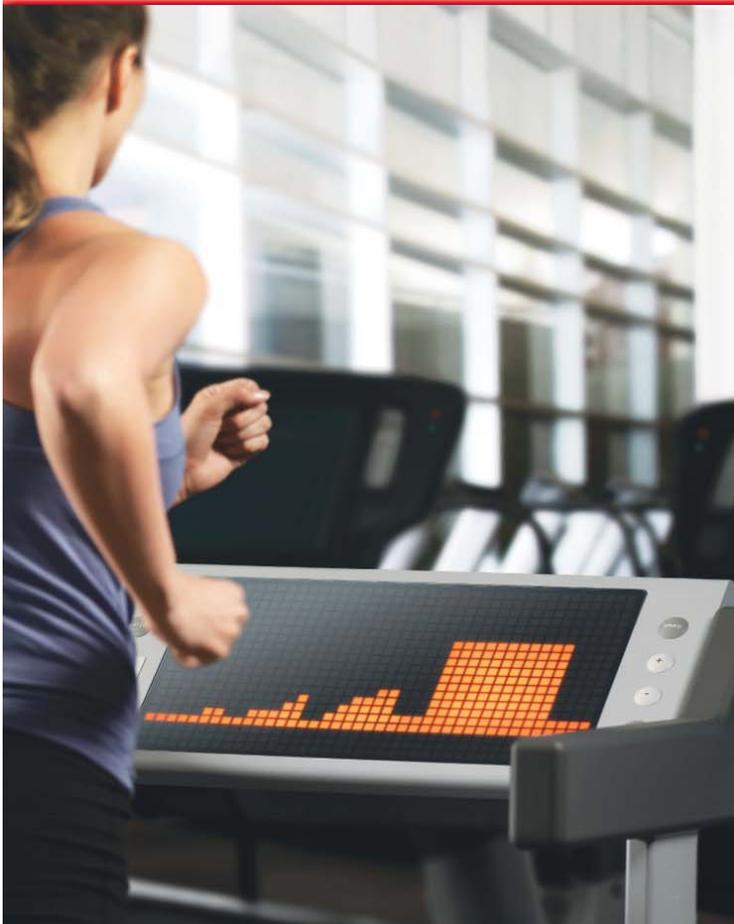


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Club Members Winning the Weight Loss Battle

By: Donna Krech

You and I know the benefits of fitness. We live them every day. We know the secrets to eating wonderful food and still losing or maintaining a loss of weight. The thing is... our members (and definitely our prospects) don't know these secrets.

I'm pleased to introduce our new Members of the Month videos. Beginning this month, we'll feature video comments from four of our most successful members, and you may access each by visiting www.clubinsideronline.com.

The following introductions of our Members of the Month, combined with the videos, will remind you of why we do what we do in our industry. We hope that you will grow an even stronger passion for helping the world become more healthy, happy and successful.

Rick, a 36-year old pastor, was waiting on the heart attack. After all, he was 139 pounds heavier than he is today. Rick has seen 120 inches, or TEN FEET, of his body go away! He did this while learning to fall in love with the benefits of fitness. Having tried everything imaginable to lose weight, Rick discovered that learning how to eat his favorite foods, while discovering the benefits of exercise, was key to lasting weight loss. Rick enjoyed things like pizza (3 times per week even!), burgers and even fries! Now, before you furrow your brow at the idea of teaching members to eat these kinds of foods, remember that eating them in a healthy way is the key. In addition, meeting a member where they are is what allows them to progress at a pace they can live with. Thus, they lose ALL their weight and keep it off. View Rick's video, and he'll tell you that his entire life has changed. From buying a smaller, more economical car (because now he could fit into one) to finally sitting in comfort in theater seats.

...Jim Thomas

continued from page 18

With some proper planning, you will be involved in more membership sales, and enroll more members at higher memberships.

9. Never Practice on the Paying Customer. There is simply too much competition in the health club business and too many alternatives in today's fitness marketplace for membership sales reps not to be prepared for every guest who tours your club.

Schedule an hour each week to role play key aspects of the selling process: overcoming objections, ask probing questions, asking for the sale, giving the

Ann Rea will get your attention. She ate ice cream while learning to love exercise and shed 40 pounds in the process. Due to her great results, her friends came to the club and enrolled! Very simply put, results for members bring in more members. View Ann's video and you'll discover how multiple new memberships will be generated in your club due to members adapting a lifestyle of exercise, healthy eating and life improvement.

Shelly will capture your heart. She beat depression while shedding 40 pounds and while becoming a passionate fitness advocate. She adores her two kids and wanted to be happy for herself so she could be happy for them. She exudes confidence as she shares her story. You may not realize how many people are fighting their own battles in your facility until you begin helping them shed their unwanted pounds. This stuff changes lives! Now, Shelly runs 10K's and will run her first half marathon this year. Next year, she's off to run her first marathon! Oh, and she's raising a healthy, happy family now, too. Check out Shelly's comments!

Finally, you'll meet Doc. Now, he is 140 pounds lighter than when he came to us. He'd never worked out. He was in plumbing at the time and getting stuck under a house caused him to admit it was time for a change. We've dubbed Doc our 'Ambassador of Fitness.' Keep in mind, this was someone who'd never exercised before and who had no idea how his life could change due to healthy, happy living. He loves it when people he knows don't recognize him! Just think of the lives you could change with a great weight loss system inside your facility!

Go to www.clubinsideronline.com to hear these great success stories! And, call us at (866) 260 - 8446 or email bhammond@thinandhealthy.com with any questions you may have.

membership presentation to each other, sample prospecting calls, etc.

10. Not Using a Proven Health Club Sales System. A proven health club sales system needs to be communicated and adhered to by your membership sales team and supporting cast. With a proven system, your membership department will always know where they are with each prospect.

Mastering a proven health club sales system is far better and results in fewer mistakes compared to just "winging it." Using a proven health club sales system also makes it much easier to train new membership reps.

Now, go close a sale!
(Jim Thomas may be reached at jthomas@fmconsulting.net)

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Are You Offering Fitness and Weight Loss?

Total Solution Changing Lives, Improving Club Numbers

In spite of the many "weight loss" and "fitness" avenues available, the United States is the fattest nation in the world (67% overweight). It's not for lack of trying, however. The average person has been on 10-20 diets in the last three-five years. Many have joined a fitness club as part of their battle against the bulge. Others have joined a weight-management center. These two services - weight management and fitness - are often mutually exclusive, but that's changing. More club owners are realizing they need both.

More Focus on the People

Luke Wren has been an exercise enthusiast for 17 years. He owns three Results Fitness Inc. (DBA Highland Fitness) centers in the Chippewa Valley area of Wisconsin, and he has watched the way people behave inside the gym. The reason they join isn't always clear-cut, he has learned. Likewise, he indicates, the reason they don't stay is partly the fault of the fitness industry. Fitness center owners have watched as hopefuls walk in with big dreams of achieving the beautiful, toned body they're used to seeing on typical "fit club" commercials. When they don't see results, they give up. "The worst thing we did as an industry was to advertise the equipment," said Wren. "It's not about the equipment, it's about the people. Our ads show less than 2% of the population and [they] are not getting to the people who need us."

The eye opener for Wren was to find out that a lot of his members were paying for weight loss programs elsewhere. He realized that about 90 percent of members were indeed joining to shed pounds in some form or fashion. A little more than one year ago, he implemented a program that has allowed his

fitness clubs to be a complete avenue to weight loss and fitness.

The program is Thin & Healthy's Total Solution® (Total Solution) weight management program, founded by Donna Krech. Since adding it, Wren has watched memberships and retention increase even as waistlines and health problems decrease. Since introducing the program, his 300-400 members working in the program have seen big dividends. "People want a system they can follow and get results," he said.

"Instead of our members paying \$40 a month, we have members paying \$90 a month and being happy about it because the people paying \$40 aren't necessarily using their membership as often. The people in Total Solution utilize their memberships more often so they're happier, they are moving toward their goals. The retention is higher and they are paying over double dues and buying supplements. We've always struggled selling supplements and making profit on them. For the first time we're actually selling supplements and making close to 100% profit on all of them," shared Wren.

"The new potential business for the club has really been enhanced. The percentage of people that have 100 or 200 lbs to lose will come in now. You truly get people who would never step foot into a fitness center and then they integrate into fitness once they see it's a safe place and non-intimidating. As people lose weight, they gain the confidence to branch out and try the club's other services, such as fitness classes, events and personal training packages," he said.

The Program

Fitness centers can be the main vehicle for fitness and weight management, according to Krech. She created the program after realizing that the main problem for people was treating a symptom they had rather than treating the whole problem. Joining a fitness

club and working out won't make someone healthy. Likewise, eating right but never moving your body will not make you fit. Learning to combine a healthy diet with physical fitness - and learning how both components can work together - will lead to long-term success. Total Solution, said Krech, teaches clients not only how to lose weight but also how to never need to lose weight again.

The program focuses on three important essentials of health and fitness: motivation, metabolism retraining, and healthy foods education. The program starts with Life Success®, which gives each member the inspiration, education and tools needed in order to tap into the motivation and determination that lie within them, thus they achieve their goal. Metabolism Retraining® teaches people how to fall in love with exercise - even those who've never liked fitness will discover how easy it is to increase their metabolic rate with movement. Healthy Foods Education® teaches people how to lose weight while still eating their favorite foods and consuming them in a healthy manner.

Krech adds, "Permanent weight loss is not just about the food, but the motivation. We focus on teaching our members how to maintain their motivation. Anyone can lose weight, but 97% of Americans that lose weight gain it right back, which is where we come in and change the standards."

Results That Speak for Themselves

Wren loves what Total Solution is doing for his members. "It's not just about the diet and the workouts. It addresses life and long-term success, dealing with stress, et cetera," he said. "That's why I chose Total Solution. We're here to change lives with this program. This is a business thing and a passion thing. Total Solution feeds both." ✕

LUKE WREN,
The new potential business for the club has really been enhanced. The percentage of people that have 100 or 200 lbs to lose will come in now. You truly get people who would never step foot into a fitness center.



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Enabling Staff

Step Twelve in the Series: Fifteen Steps to Paradise

By: Will Phillips

One of the greatest inefficiencies in health clubs is the failure to fully engage or enable the passion, creativity and brains of the staff to contribute to the business. The result is that most clubs are overstaffed to make up for the shortfall. A second, more subtle, inefficiency occurs when staff are not fully enabled; the owner makes up for it by working harder and staying operationally focused. This deprives the club of the strategic leadership which is sorely needed in this era of hyper competition and recession. The last impact of a staff that is not enabled is undermining three critical transitions necessary for club growth. We will look at these transitions and then provide some ideas on enabling and enlisting your staff as committed and successful contributors to the club's success.

Three Transitions

The first transition is from the owner as a manager to the owner-management team. In the smallest clubs, the owner is the manager and the staff. The work hours are long and the owner tires, goes bankrupt or quits in frustration. Most single practitioners know to add some staff. First, their spouse! And then, a few others... Mostly, these

people are there to work, not to make decisions and certainly not to make changes. The management work for the leader is still extensive and demanding. This is the E-Myth stage that Michael Gerber has so well described in his books. I think I am an entrepreneur, but in reality, I have just created a low-paying and demanding job.

Gerber correctly states the way out of this trap is to get organized with systems so you can delegate the system to others to do. In my experience, this is harder to do in a service business like a club. No system is able to respond well to all the variations that occur on the frontline with customers. More than likely, the systems are seen by customers as inflexible bureaucracies designed for the convenience of the club. Systems can effectively undermine and prevent serious customer service.

To make the first transition, the owner must have one or more managers who can make decisions and changes without consulting with the owner. Without this, growth is inhibited. Owners hesitate, but as this transition happens, the owner-worker becomes an owner-manager.

The second transition occurs when the owner can be away from business, for whatever reason, three to four weeks.

The business runs well, and the owner's input is not needed. Sometimes, a strong number two can enable this. More likely, it is a strong, enabled management team. This not only frees the owner for well-deserved time off but also enables the owner to explore, learn and think about the bigger picture and the longer range of the business. The owner is becoming strategic, starting to drive the business with more than a short term view. The managerial radar is reaching into the future. As this happens, the owner-manager becomes a leader.

Success in this second transition lays the foundation for real growth through club acquisitions and new development. This introduces the third enabling transition, the enabling of independent manager-leaders at each of your locations. Doing this well enables growth but most club chains fail here. Instead of manager-leaders, they have, at worst, a little bureaucrat who follows company policy, and at best, a manager who struggles against company policy and systems to customize the club to local conditions.

What Is Enabling?

Some of the best research on leadership has been done by Jim Kouzes and Larry Posner. They looked for the types of leadership that distinguished more productive companies from less productive ones. Most leadership concepts are driven by the author's emotional connection with historical, often military, leaders. Their research uncovered five elements that led to increased performance. One was enabling employees. Here are the key components of enabling from their research:

- Do you foster collaboration by promoting cooperative goals and building trust?
- Do you strengthen people by giving power away, providing choice, developing competence, assigning critical tasks and offering visible support?
- Do you actively listen to diverse

points of view?

•Do you support the decisions of your key staff?

•Do you give people a great deal of freedom and choice in deciding how to do their work?

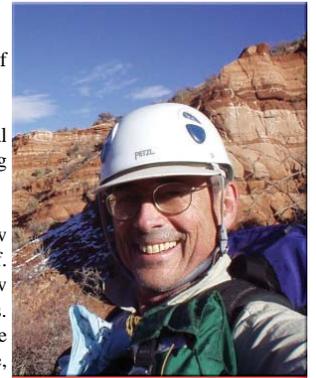
These determine how much you enable your key staff. DO NOT put any value on how you answer these five questions. The only valuable answers are from the market, and in this case, the market is your direct reports. The authors have a powerful and inexpensive assessment online. One Rex Roundtable member, and former President of IHRSA, used the assessment several times and commented that it was the single most useful professional development experience he had had in his career.

Limits to Growth

The critical challenge for many prime companies that are showing the characteristics of strong growth and high profits, is finding the right people. Bringing them in from the outside is always chancy as you never really know who you have until you see them in action in your company for at least a few months. This is why growing leaders from within is so critical, yet most companies fail to invest in real leadership development until it is too late, and then, they are challenged with finding outsider-leaders and hoping they fit the culture and systems. This "patch-job" approach often stimulates a belated and haphazard leadership development process.

The reason leadership development is neglected is that it costs executive time and bottom line dollars, and in the drive for growth and profit, the decision is made to save time and money. Now, of course, many of you may sell before this is a huge problem, but then again, two concerns arise:

- First, you may stumble without enough strong leaders, perform poorly and sell for less.
- Second, having a strong set



Will Phillips

of leaders in all key positions and a strong leadership pipeline can significantly increase your companies' value, at least to a sophisticated business buyer.

How Do I Enable?

First, you assess yourself on the five questions above, which are factors in enablement. You must have an objective assessment. Your self assessment is usually worthless although satisfying. Second, you must improve your performance on these factors. You are likely to need an executive coach with some skill to help you here, or at least, a group of peer owners who will give you honest feedback and encouragement. Third, the use of Open Book Management is a deep and powerful tool to enable your staff at all levels in very practical performance improvement. See part five in this series for resources to help you there.

Resources:

The E-Myth Revisited by Michael Gerber - http://www.e-myth.com/pub/htdocs/emr_ch1
The E-Myth Assessment - http://www.e-myth.com/pub/htdocs/free_eval
Leadership Practices Inventory by Jim Kouzes and Larry Posner - <http://www.lpionline.com>

(Will Phillips is the President of REX Roundtables for Executives. Your comments and inquiries are welcome: Will@RexRoundtables.com. Will's blog is www.HealthClubGuru.com)

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The Industry Shift:

How Middle-Priced Models Can Succeed Now

By: Bonnie Patrick Mattalian

\$9... \$12... \$20... \$200 for 2 people for one year...

If you're an operator of a 10,000-50,000 square-foot facility charging \$35-\$70 per month, chances are good you've spent quite a bit of time in the past two years wondering what the best business strategy is to keep your business moving forward despite the lower-priced models in your market.

People may drive further for a facility priced at \$75/month or more because of its exclusivity and the wide array of services and programs included within the membership. This is not the same market that a mid-priced facility should target.

Your local target prospects, living within a 5-minute drive time will typically not drive by your club to go to another club. If your club is convenient, easy to get to, with sufficient parking and ample equipment and classes based on the number of members you have, you should be able to bring in around 10% of that population within that drive time (with appropriate HHI and other demographics for your area).

Be... Better

Yes, your club needs to be *different* from the others. That can mean just about anything. More important than being different, though, is being *better*. What do you do better than other clubs in your area?

Do you have the friendliest, most engaging staff? Look at *friendly* from the member's perspective. Measure this via member surveys, mystery shoppers, participation statistics and new member referrals.

Is your equipment new, always clean and in good repair? Bring your locker rooms up to date and keep them sparkling. If you have those old putty-colored metal lockers, invest some of your capital or get a small loan and upgrade them. Believe it or not, locker rooms make a huge difference when it comes to sales and retention. Facility upgrades give former members a reason to come back.

How about childcare? Don't tell me that it is a loss leader. If you want to attract women who have children to your facility --that's a huge part of any market-- you need to have childcare. That is, unless you don't care about those important decision-makers in families.

Speaking of which, do you have the best, most comprehensive group exercise program in your area? This club offering alone will help to differentiate between a mid-priced model and lower ones. We often hear people say, "But the space doesn't generate revenue when there's no class going on." During those times, program it for groups, rent it, put Personal Training or small group training in there --do something. And, pay your group exercise instructors well and fairly. Go to www.payscale.com and see what the going rates are for your specific area. Monitor the instructor's performance and attendance in their classes, with formal and informal feedback exchanges.

Look at the operational processes in your club and how each department does things. Are members getting upset due to policies, billing errors or how things are inadvertently made difficult? Bad news travels fast. Streamline things and make life as a member in your club as easy and as enjoyable as possible. Change it before you find yourself in the midst of negative online gripe postings.

Whatever it is, determine your *Signature*, not only that which makes you different but identify whatever you do *better* than anyone around. And, *be sure you are doing it better*.

Monitor Performance

I am beyond amazed at how many clubs operate without having a handle on their statistics in detail. If you don't know how to use your software, you must work to understand it and get training for yourself and all users. If you cannot pull reports daily on production, performance and revenue generation, you need to learn how or do it manually (not my preferred method,

but it's better than nothing). Email me at bmattalian@clubsynergygroup.com if you'd like a copy of the important daily performance statistics I typically like to capture.

The same thing is true from an expense standpoint. Don't run your business out of your checkbook. Develop a plan, stick to it, reforecast if you must and track expenses daily. Sharp operators are sticklers when it comes to expense control, but they also know when they need to make some investments to get to where they need to be.

Extras

Many lower-priced models do not provide many *extras* aside from maybe a juice bar and personal training. So, there's another differentiator.

Think of many types of health needs or conditions and say, "Yes, we've got a program for that." If I have back pain and you tell me you can help reduce it in 4-6 weeks, I'm in. If you have a boot camp and tell me I will see a change in my body in

4-6 weeks, sign me up. Show me testimonials, and you'd better be sure we work together to achieve those results. Offer my money back if results aren't achieved on fee-based programs, as long as there is an understanding of what is required by both parties. Stop losing money on profit centers. Pay your providers based on the services they provide on a straight commission.

Awareness and Exposure

Do these things to improve your exposure now:

1. Update and improve your website and search engine optimization. What do you want people to do when they get to your site? At the very least, capture their information and give them something in return. Let people sign up online and see a 20% increase in sales and ancillary revenues.
2. Have a Facebook page, actively promote it and engage participants.
3. Use Twitter and mobile texting



Bonnie Patrick Mattalian

for tips and specials.

4. Do a few direct mailings during the year. Many people say that direct mail doesn't work. They're right... When the message isn't right or it is poorly designed, you will not get a good response rate. But, in order to keep your exposure out there, oversized postcards with a design that stands out and a clear call to action, do work.
5. Participate actively in any and (See *Bonnie Mattalian Page 25*)

Tanning Tax Guidance from the IRS

As of July 1, 2010, businesses offering ultraviolet tanning services have been responsible for collecting a 10% excise tax. Businesses must collect the tax at the time the customer pays for the tanning services. If the customer does not pay the excise tax, the tanning service provider must pay it. The tax does not apply to spray-on tanning services. This excise tax requirement is part of the Affordable Care Act, enacted in March, 2010.

This excise tax does not apply where a qualified physical fitness facility offers tanning services as an incidental service to its members, and there is no separate identifiable fee for the tanning service.

A qualified facility is one where the predominant business or activity is to provide facilities, equipment and services to members for the purpose of exercise. Tanning services cannot

represent a substantial part of the facility's business or be offered to the public for a fee. A qualified facility may not offer different pricing options to members based on tanning services. A business that is not a qualified fitness facility must collect the tax on tanning services.

The Internal Revenue Service offers the following guidance on taxable services:

If a customer buys other goods and services when paying for tanning, a business does not need to collect the excise tax on those other items provided that they are separately stated and the charges do not exceed the fair market value for those items. However, if the charges are not separately stated, a business should collect the tax on the amount that is reasonably attributable to the tanning services.

A gift certificate for unspecified services is not subject to tax when it is purchased. If the

recipient uses the gift certificate for tanning services, the provider will collect the tanning excise tax at that time.

Businesses required to collect the tax must report and pay the excise tax in full on a quarterly basis. The first quarterly return and payment, due Nov. 1, 2010 (October 31, 2010 falls on a Sunday), covers taxes collected during July, August and September. To report and pay the tax, a business must have an Employer Identification Number assigned by the IRS and must file IRS Form 720, Quarterly Federal Excise Tax Return. Businesses that do not already have an EIN can apply for one at www.irs.gov.

Facilities that file and pay late or intentionally fail to collect and pay the tax may be subject to a penalty.

Businesses can download Form 720 and get more information on the tanning excise tax at www.irs.gov.

...Bonnie Mattalian

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all community and group events. Make them interactive and fun, not just with giveaways.

6. Establish a strong corporate strategy. Lower-priced models typically do not spend much time on this. It takes a structured process and action plan to develop these relationships, which I'm happy to discuss with you.

7. Write articles online and for every local publication all the time.

8. Place a different banner on your building each week touting something new to invite drop-in, drive-by traffic.

Using all of these components, put together an awareness and exposure plan quarterly, and track and measure every call or inquiry.

Happy Staff = Happy Members

Be the boss everyone wants to work for. Develop your people. Spend \$300-\$500 per person per year on some sort of training or development. You'll be rewarded with a more efficient, productive, motivated and loyal staff, and your ROI will be significant.

Pay them well and fairly. Don't accept complacency; keep your standards for staff performance higher than other clubs, where they may or may not have any staff at all.

People don't leave relationships. Create these within your community, and your middle-priced club can thrive along side other models in your area.

(Bonnie Patrick Mattalian is an award-winning 24-year fitness industry veteran who helps health clubs and their staffs improve performance. She is the President of the Club & Spa Synergy Group Consultants, and is renowned for her unabashed enthusiasm and the ability to impact positive results through staff training. Contact Bonnie at 732-236-2273 or bmattalian@clubsynergysgroup.com. Go to www.clubsynergysgroup.com or follow her on Facebook at Club Synergy Consultants/Health Club Managers Forum or on Twitter @bonniepatmat)

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- Rachel Cosgrove
 Co-owner of Results Fitness
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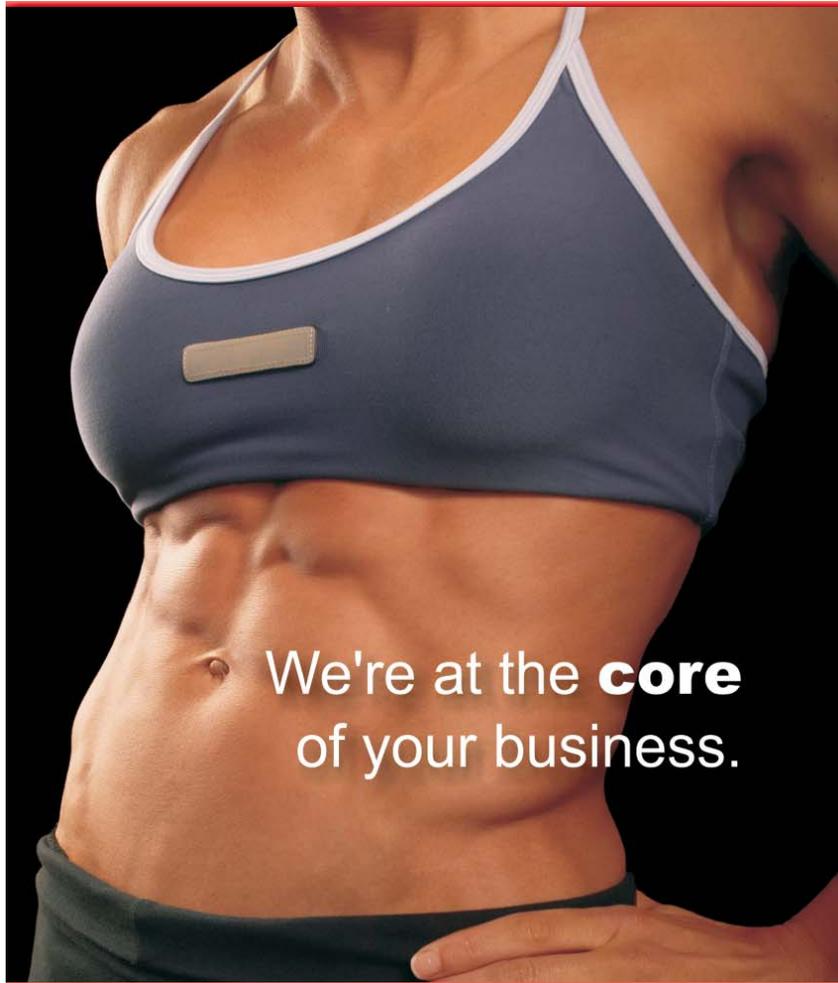
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...Norm's Notes

continued from page 8

iGo Figure will tap into a huge market. In October, Kyle will be speaking at **Club Industry**.

• **NEVER FORGET September 11th, 2001. God bless those that were lost and their families, our troops, airmen and sailors in the Middle East** and around the world as they protect America's freedoms and liberty. **God bless you, your family and your club(s). God bless America!**

(Norm Cates, Jr. is a 36-year veteran of the health, racquet and sportsclub industry. Cates is the Founder and Publisher of CLUB INSIDER, now in its 17th year of publication. Cates 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 its highest honors. Cates may be reached by phone at (770) 850 - 8506 or email at Norm@clubinsideronline.com)

Steve Ayers Joins ABC Financial as VP of Sales

LITTLE ROCK, AR - ABC Financial (ABC) announces the addition of Steve Ayers to its team as Vice President of Sales. The appointment was announced by ABC President, Paul Schaller.

Ayers, who will be based in ABC's headquarters in Central Arkansas, will manage and direct the execution of sales plans and initiatives in new and existing markets. He will also supervise and train ABC's sales team.

Schaller commented, "Steve is very familiar with our

industry, and his professional expertise makes him a valuable asset to our team. We believe that he will be capable of developing business plans that maximize sales and foster customer loyalty. We are all excited to welcome him."

"I could not be more thrilled to be joining ABC Financial," Ayers stated. "This company has a reputation of being an innovator in its field and for customer service that is second to none."

iGo Figure Club Management Software Now Available in Chinese

HOUSTON, TX - iGo Figure Software CEO, Kyle Zagrodzky, announced that the iGo Figure Membership & Business Management Software is now available in Mandarin and simplified Chinese.

"We saw the growth of the Chinese fitness market and started receiving more requests to translate our software to Chinese," said Zagrodzky. "With

the iGo Figure Software already available in 14 other languages, it only made sense to also make it available to the fastest growing economy in the world."

According to the Chinese State Sports General Administration, China is already the world's largest sports and leisure market with 400 million consumers of sports-related

services or products.

"Our customers with locations in several different countries love the availability of the translations as it provides them with a consistent membership and business management software solution for all their facilities around the world," Zagrodzky said.

The RUSH Fitness Complex Grand Opening Celebration!

WINSTON-SALEM, NC - On September 3-5th, The RUSH Fitness Complex, based in Knoxville Tennessee, celebrated the Grand Opening of its newest facility in Winston-Salem, North Carolina (its 20th location).

Along with The RUSH, local area businesses provided food, door prizes, music and balloons. Free tours and a chance to win a free 1-year RUSH membership for all who attended were offered.

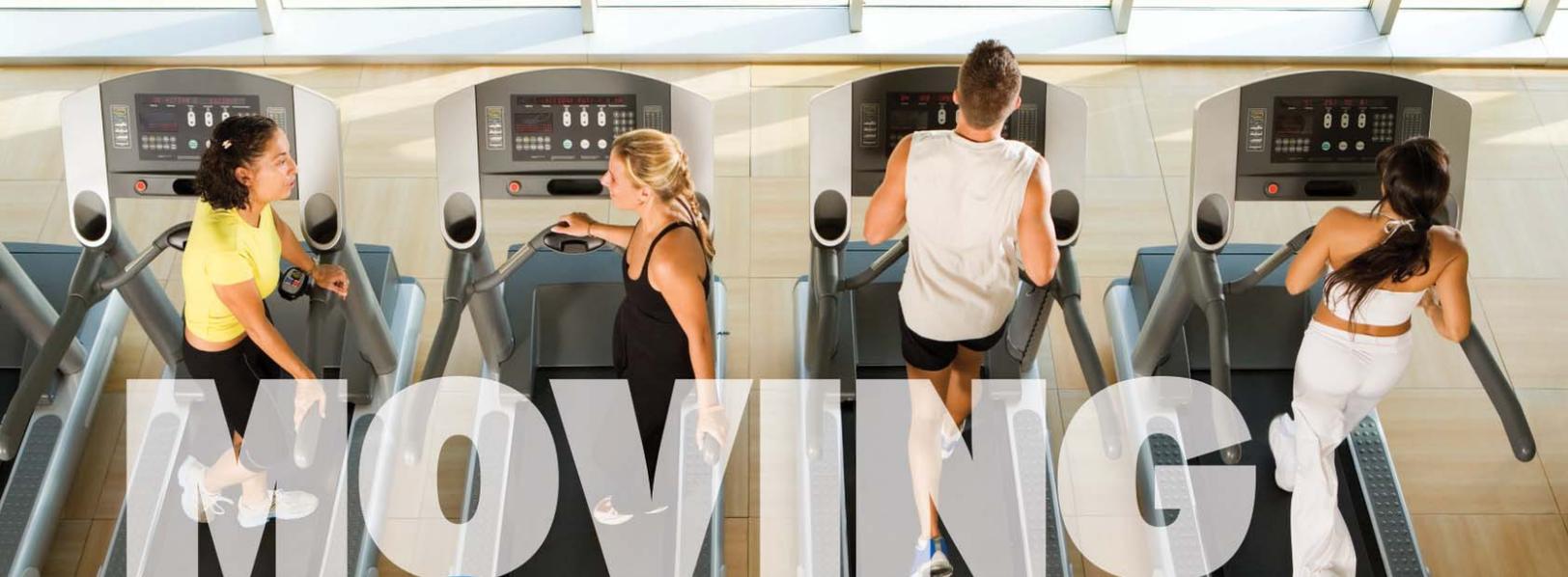
The RUSH Fitness

Complex stands apart from other fitness facilities in that it effectively offers a different approach to fitness by merging exercise with entertainment. The RUSH combines a wide variety of services to keep its members "Actively Entertained," such as a rock-climbing wall, oxygen bars and the Tornado Tube (a massive air-blast chamber designed to cool off heated exercisers). Members achieve their fitness goals by utilizing state-of-the-art exercise equipment and the latest



in Body Training Systems group exercise programs.

The new RUSH Fitness Complex facility is located at 159 Jonestown Road and employs over 50 full- and part-time staff.



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Keynote Address

Richard Simmons, America's Most Fun Fitness Authority
Shaping a More Fit World: How to Create an Environment That Motivates
Thursday, October 7 • 10:00am-11:00am



Immediately preceding Keynote Address:

Lifetime Achievement Award: Curt Beusman
Founder the Saw Mill Club (Mt. Kisco, NY), Sportsplex (New Windsor, NY)
and Stamford Athletic Club (Stamford, CT)



Keynote Address

Bill Rancic, Author, Entrepreneur and First Winner of "The Apprentice"
You Don't Have to Be Corporate to Think Like an Entrepreneur
Friday, October 8 • 10:00am-11:00am

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...Fitness Coaches

continued from page 14

being identifiable in a red shirt,' what is the importance of the integration of TRP into the Fitness Coach Program?

RB - When I saw TRP using an algorithm to identify who was a high-risk member, validated by 2 million member records, I felt now we had a way to determine who was high-risk at any time. As soon as I saw TRP, the first person that came to mind was John Miller because this is what he was doing, except this was using technology.

The historical club model is a low-priced model --used by all but probably 1% of clubs-- with the average dues of \$40-50 and down to the teens. This model is *not built to service all members*, so if you want to keep people, you must have some way to know who is at risk. The concept is central to retention in the club industry and why we have a problem with retention. If you look at most staff ratios, you are dealing with a relatively minimal staff to service the members. With an average club of, say 2,500 members, how are you ever going to assign sufficient staff to service each individual member? In John's case, he could do that because he took them only through the first 3-4

months. He 'vaccinated' them, so to speak, until he felt they achieved exercise independence. When the guys from the UK first brought TRP to us, we thought, 'wow, this fits the club model.' That's because you can scale your resources --the number of people you need to deal with your high-risk members-- based on how many high-risk members you have.

When we introduced this to John and his team, which was a couple of years ago at IHRSA, he loved it because this was the next step in his search to build long-term members based upon club usage and not by a contract. Now, TRP allowed him to put his coaches' time against, not just the new members, but the high-risk members as well. He immediately said this was something he wanted to do, and they were our first test for The Retention People. They have done a fabulous job with it because it supports the concept John had fifteen years ago, and it gave him the technology to execute.

C.I. - Please touch on the importance of group exercise in helping with high-risk members.

RB - High-risk members ultimately must find the form of exercise that they can do for a very long time so they become low-risk members.

John and his team refer to this as making them exercise independent. Group fitness, when professionally pre-choreographed and branded, can appeal to the vast majority of high-risk members.

When group fitness is done in a system like ours:

1. Classes are consistent and reliable regardless of what instructor teaches so this gives more options to the high-risk member.
2. Classes are high-quality because of the program development system that includes extensive testing which guarantees the high risk member the most effective and safe workout.
3. Classes include music that really drives the experience for the high-risk member to help them enjoy the workout.
4. Because classes are done in groups and led by an instructor the high-risk member will form many supportive relationships and be less intimidated.
5. With consistent, high quality experience, the club can maximize branding to market more effectively.

As John gained experience

with BTS Group Programs, he decided to have his fitness coaches, many of whom were also group exercise instructors, recommend high risk members get into one or more group exercise classes. He is finding this link to be a great one to suggest to people. That's how it all works hand-in-hand.

• • •

It has been a pleasure learning about the concepts behind and the components of John Miller's Courthouse Athletic Clubs' Fitness Coach Program. The individual components of the program may not seem that unique (i.e., coaches helping members, tracking member statistics, group exercise, etc), but investigating deeper, the specifics of how each is being implemented and the fact that they are all being implemented together has created a unique approach. As mentioned in the introduction to this article though, the real key is why. Is it for the club or is it for the members? In this case, it is truly for the members, which in essence, makes it for the club and creates success.

To conclude this article, I turn to Sandy Coffman, who said this about John Miller and the Fitness Coach Program:

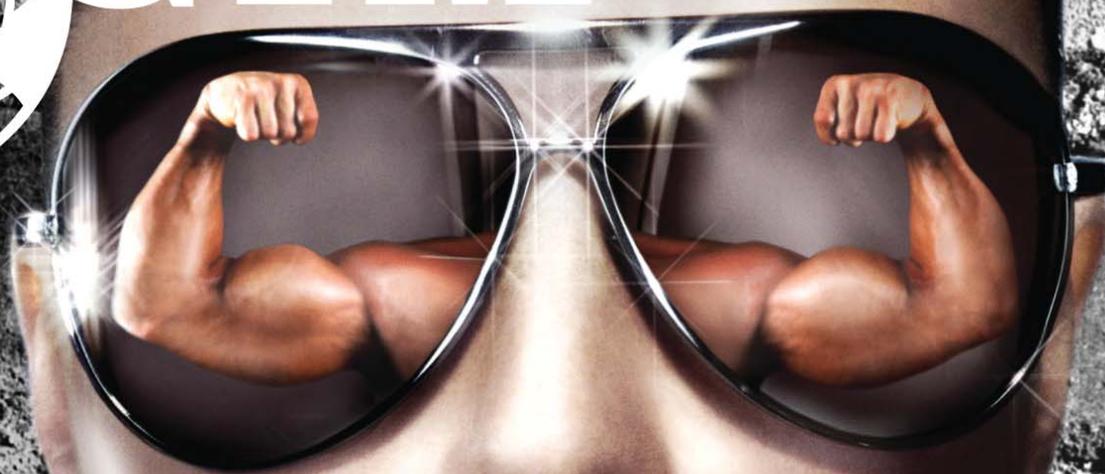
"The greatest compliment

a consultant can get is when a client, not only appreciates her advice, but builds on it to come up with an enhanced version of an original program.. That explains my experience working with John Miller. Over many years and several working visits, John turned 'fitness center sentries' into *fitness coaches*, and thus, gave a new beginning for his clubs that served the intimidated member in addition to the already-fit member. His guidance and training resulted in a retention program that served his business as well as his members. John truly understands the importance of holding his fitness coaches accountable for helping their members and is willing to train them to become successful. His concepts work, and he works at them constantly. John Miller is among the best of the best owners/managers in our industry. It was a pleasure working with him, and it is an honor to be part of his success."

Thank you very much to everyone who contributed time to this article, and a special thank you to Alex Wyatt (www.clickmediaservice.com), who provided the photos.

(Justin Cates is the President and Assistant Publisher of **CLUB INSIDER**. He can be reached at justin@clubinsideronline.com)

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Programming Tip of the Month:

Take Care of Your New Members with Group Cycling Programs for Beginners

By: Sandy Coffman

It's a new season, and with new members coming in, there are fabulous opportunities for programming for retention and profit. Take care of your new members now, and keep them forever! I'm all about getting the new member involved comfortably, quickly and successfully. *Successful Programs for Fitness and Health Clubs: 101 Profitable Ideas* is filled with tips and tools to make this happen with every program, but here are some ideas to get started. They work! Try them, and adapt the concepts to other programs in your club or read ahead for more suggestions. This tip is all about your *beginners*.

The beginner group cycling program should run for no more than thirty minutes. It will include five minutes of warm-up and discussion of safety and

technical issues, fifteen minutes of cycling and ten minutes of cooling down and stretching.

- This class is designed for the individual just starting out in cycling and will possibly consist mainly of new members.
- The cycling portion of the class will be done in a seated position only. The intensity of the class will be light to moderate.
- The class will prioritize basic grips, body positions and drills, with no more than ten seconds of hammering.
- The beginner group cycling program can be drop-in, sign-up, by invitation or a combination of all (recommended).

Tips for Success and Points to Consider

- All instructors should go through an orientation program that covers the content of the

various classes to keep the different classes consistent and credible. Set guidelines for all levels of classes.

- Various classes should be given equal time slots of daytime and primetime hours, and the level of the participant's skill should be appropriate for the level of class offered. It will be easy to slip into having every class dominated by the advanced members.
- The growth of the group cycling program will abound if the program is presented specifically to the needs of the niches.
- Thirty-minute classes are best for encouraging retention and growth of the group cycling program.
- The **Four Star Program**, which is presented in detail in the specialty programs section of my book, is ideal for measuring and rewarding the participation and retention of participants in your group cycling program.
- Because of the equipment, the instructor, the music and the visualization tools, the group cycling program can be a *fee-based* program.

Variations

The introductory group cycling class is an excellent class to offer at your parties. It can be an extremely good marketing tool

within your party program. The introductory class can be about fifteen minutes long and would look like this:

- The instructor smiles and introduces himself to each participant, shakes their hand and uses each one's names.
- The instructor tells them about the program, demonstrates the actions and involves them in participation. "In this class you will learn how to adjust the bike for your size; you'll learn two or three grips, two or three body positions and two or three cycling drills that we use in our programs. My goal is to make you feel comfortable with the equipment. I will explain and demonstrate it for you and you will get on the bike and try it yourself."
- The instructor thanks the participants and offers congratulations to them.

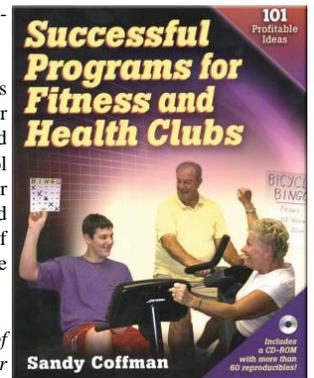
Group cycling classes are wonderful additions to your Baby Boomers and Beyond markets and the after-school kids' program. The instructor encourages people to get involved with the group cycling class of their choice. Make sure they have the choices they need.

(Sandy Coffman is the "Dean of Club Programming." To order



Sandy Coffman

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



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Very Sincerely,

Norm Cates, Jr.

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Owner, The Edge

"BTS is the single best investment I have ever made, not only in Group Fitness, but also for my club as a whole. It services our members, sells memberships, markets our club and motivates our members and staff, including me! BTS has enabled me to increase my membership price from \$30 to \$49 per month, and we no longer compete on price."



Jason West
Owner, Gold's Gym Elite

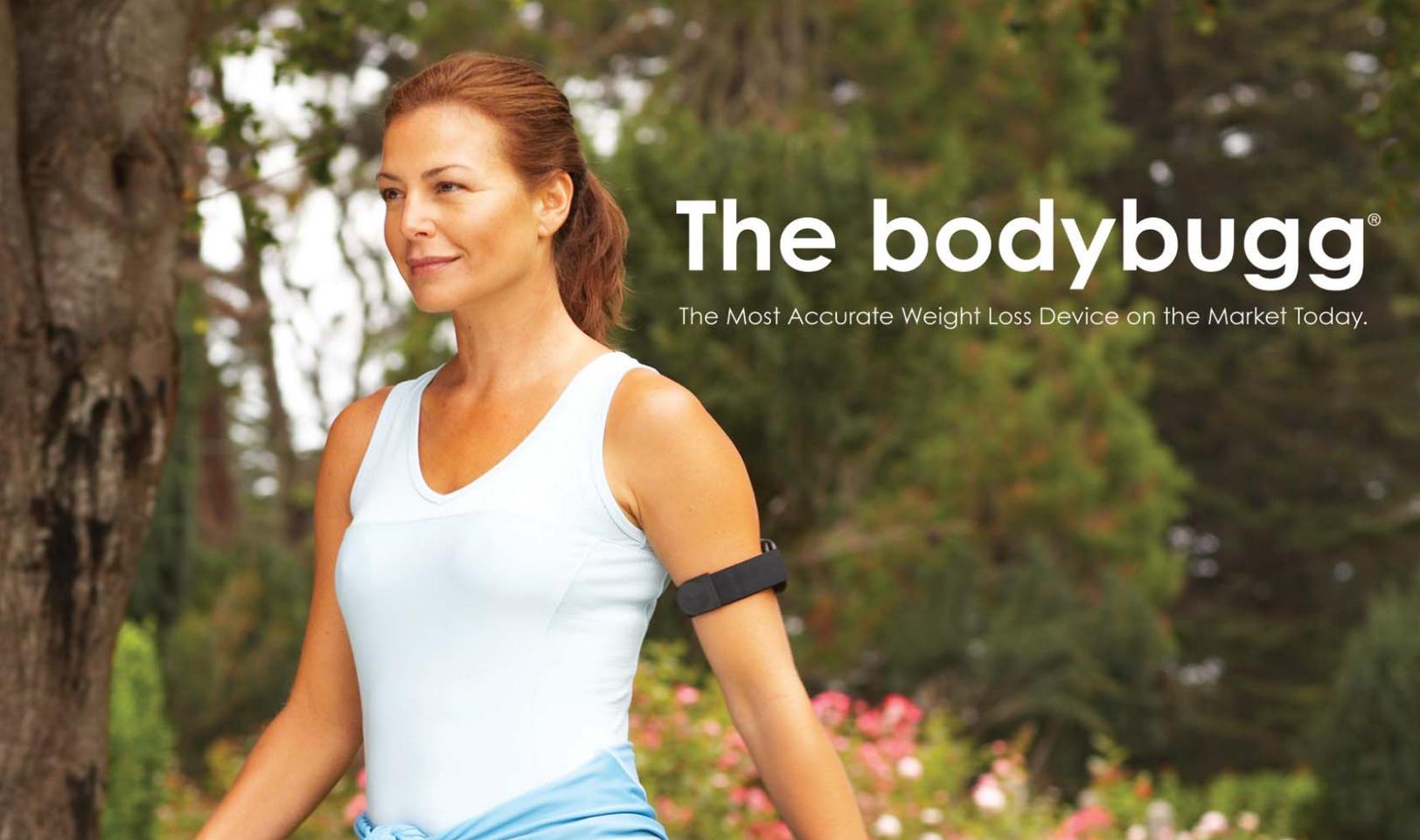
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