

Norm Cates' CLUB INSIDER™

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

Established 1993



FITNESS FORMULA CLUBS



Gale Landers' Fitness Formula Clubs Thriving For 25 Years!

Chicago Club Chain Growing Via Acquisitions and Strong Management Team

OCTOBER 2009

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Gale Landers' Fitness Formula Clubs Thriving For 25 Years!

Chicago Club Chain Growing Via Acquisitions and Strong Management Team

By: Norm Cates, Jr.

Chicago is an intensely competitive health, racquet and sports club market. There, you will find all sorts of club products ranging from the amazing 400,000 square-foot East Bank Club to XSport Fitness' 22 big box clubs to Alan and Steve Schwartz' Midtown Tennis Clubs down to 1,000 square-foot personal training studios. Chicago is one of the most competitive health and fitness club markets in America. No, make that in the world.

This month, we are pleased to provide this cover story

as Gale Landers is celebrating 25 years of Fitness Formula success, and it couldn't happen to a nicer guy. CLUB INSIDER believes there's a lot to learn from the best in our industry. Gale Landers is one of the very best, and a more down to earth guy you won't find.

The Fitness Formula Clubs are best described as upscale and a great value for the money. Clearly, the niche Gale Landers and the late Michael Gitlitz picked when they started 25 years ago was the right target.

Gale Landers Fitness Formula motto is, "Where Membership Means Something," and

that speaks volumes when it comes to Landers' operational philosophy. Landers, a former farm boy from middle Illinois, who has a work ethic to match his background, has made Fitness Formula memberships truly mean something in Chicago and on the national scene as well.

My son, Justin, and I enjoyed a club tour at the Union Station Fitness Formula Club in downtown Chicago on a windy day in the "Windy City," October 14th. We were toured by Regional General Manager Kelly Malohn, a 10-year Fitness Formula staff (See *Gale Landers Page 10*)



Fitness Formula Corporate Staff and Club General Managers

Front Row (L to R): Lisa Humbert, Jan Ryan, Mara Magdich, Lauren Eller, Scott Lewandowski, Lisa Rapaport, Chris Horeth Back Row (L to R): John O'Connor, Kat Byrne, Mike Drozd, Kelly Malohn, Larry Duncan, Josh Leve, Gale Landers, Shaun Flaherty, Scott McLain, Jennifer Ericksen, Brian Singleton, Marina Niehoff, Jeff Long and Chris Colletti.

Announcing CatesFit Media

By: Justin Cates

In today's connected society, consumers are using the web more and more to research potential purchases, from coffee to cars and dry cleaning to hotel stays. Originally, this was only prevalent among physical goods, which had directly comparable prices; however, the evolution of the Internet has empowered consumers more than anyone previously thought possible or businesses would like, and consumers are now using this power to shop for services as effectively as physical goods.

CATESFIT MEDIA

It is the new reality of business, and those who have embraced it head-on are seeing great success over competitors who have not. So, what does this have to do with the health and fitness club industry? Heading into the future, everything...

Because consumers are more informed now than at any other time in history, a simple ad in the local newspaper is not going to bring potential customers into

your brick and mortar establishment like it once would. This is not to say print is dead; it never will be, but the Internet has changed the dynamics of offering a desirable value proposition to a potential customer.

Today, your club's presence on the web is as important as its physicality. If it is not consistent with your brand and does not effectively convey your (See *CatesFit Media Page 4*)

Gold's Gym President/CEO, James Weaver, Resigns Post

Dallas, Texas - October 7, 2009

- TRT Holding, Inc. President, Jim Caldwell announced in a written statement that Gold's Gym International, Inc. CEO/President, James Weaver, had resigned his post. Weaver took the job in early November, 2008 after replacing David Schnabel.

In a statement dated October 7, 2009, Caldwell said, "I regret to inform you that James Weaver has resigned as President of Gold's Gym International. On behalf of TRT Holdings and the management team at GGI, I want to personally thank James for all of his contributions to the

business over the last year. Under his leadership, we were able to re-establish a strong vision for the company, streamline the structure of our organization and launch several major initiatives that will benefit all stakeholders in the Gold's Gym family for years to come. James' efforts helped guide the company through an important stage in its evolution and have left us well positioned for future growth."

Caldwell also announced that Jim Snow will be stepping into the role of President of GGI, Inc. Snow, formerly the Regional (See *James Weaver Page 6*)

Inside The Insider

- Fifteen Steps to Paradise - Step 2 - By: Will Phillips
- What I Learned Visiting Your Club - Part I - By: Casey Conrad
- Medical Referral: Getting Memberships from Medicine - By: Amanda Harris

- The Powerful New Competitive Advantage for Clubs - By: Bruce Carter
- The Ultimate Promotion - A Party!!! - By: Sandy Coffman
- Aquatics Magazine Honors Standout Aquatics Facilities

Norm's Notes: •Jack LaLanne Honored •Linda Wallace Battles Leukemia •Welcome to Fiserv's Mark Hutts •Happy Birthday to Wally Boyko •Planet Fitness' Second Discovery Day a Success •IHRSA Faces a Dilemma •Attend IHRSA 2010 •Announcing CatesFit Media •GGFA •ACAC's P.R.E.P. Program •Longevity Fitness Clubs to be Covered by Fitness Magazine •Beware of Shane Franklin •Anytime Fitness Convention in Atlanta a Success •Upcoming Conferences in Orlando •Remember the Name: Ryan Harrison •Augie's Quest Gearing Up for Second \$18 Million •Sport & Health Acquires Gainesville World Gym •Tasso Kiriakes' Terrific NFTJ Presentation •Howard Lerman's YEXT Receives \$25 Million •Robert Giardina to Serve as HydroMassage CEO •Nautilus to Sell Commercial Division •Cybex's Pink Treadmill Makes Great Run During Cancer Awareness Month •Kirk and John Galiani Leave the Gold's Gym Brand •No Health Club Sales Tax in Pennsylvania •NSF Standards Ready for Review •Casey Conrad's 8,832-Mile Journey •Club Industry Slide Show •Jan Rubins Shaves Moustache After 30 Years •17 Years and Counting!

Norm's Notes

•Is America a great country or what? *Hmm... Hmm... Hmm...* All Americans are lucky to be part of this great country, and none of us should ever forget that!

•**JACK and ELAINE LALANNE** packed the house at the **Club Industry Show in Chicago** on October 15th with a 500+ standing-room-only audience to witness Jack's receipt of the Club Industry Lifetime Achievement Award. Elaine, 84, provided a wonderful introduction of her husband of over 50 years, the one and only, Jack LaLanne. Before introducing him, she played a DVD of photos and video footage of Jack's amazing career, including film of Jack's amazing "Feats" of fitness and strength, such as when, on his 70th Birthday, he swam across San Francisco Bay while towing 70 boats with 70 people aboard! Jack celebrated his 95th Birthday on September 26th, and CLUB INSIDER wishes him a belated Happy Birthday! He is still full of his whimsical wit, huge energy and showman personality, his trademarks (See Photo on This Page). God bless you Jack and Elaine LaLanne... We all love you!

Another standing-room-only crowd showed up on October 16th to learn from **MARK MASTROV** how to thrive in the club business in this economy. Mark was CLUB INSIDER's cover subject for September, and to read his cover story online, go to www.clubinsideronline.com.

Overall, this year's Club Industry Show was encouraging to both the folks who put on the event, as they worked so hard to make it great, and to all of us who came to speak or exhibit our products and services. The vendors I spoke with were pleased overall, but as with past shows, traffic dropped off in the second half of the second afternoon, something to do with *competitive seminars* during trade show hours, I think. The seminars were well-attended overall, and among the faculty were several **CLUB INSIDER Contributing Authors**, including: **RICK CARO, SANDY COFFMAN, CASEY CONRAD, DONNA KRECH, BONNIE PATRICK MATTALIAN, BRUCE CARTER, JEFFREY KELLER, KAREN WOODARD-CHAVEZ, LAURIE CINGLE and WILL PHILLIPS**. Additionally, the good folks at Club Industry undid something I said years ago should never have been done; they reinstated the name, **Club Industry**, for the 25-year running Magazine that had been changed to **Fitness Business Pro**. I'm real glad to see the Club Industry name back on the magazine, and I support their efforts fully. Club Industry Editor, **PAMELA KUF AHL**, and her Team do a great job.

Finally, congratulations to all of **Club Industry's Best of the Best Award Winners**:

•**Sparrow's Michigan Athletic Club**, East Lansing, MI for **Best Children's Program**

•**The Big Vanilla Athletic Club**, Arnold, MD for **Best Non-member Program**

•**Lindenhurst Health & Fitness Center**, Lindenhurst, IL for **Best Group Training Program**

•**Akron General Lifestyles**, Akron, OH for **Best New Member Integration Program**

•**The Atlantic Club**, Manasquan, NJ for **Best Community Based Program**

•**Chesapeake Energy Corporation**, Oklahoma City, OK for **Best Behavior Modification Program**

•**LINDA WALLACE**, the wife of club industry veteran, **DEAN WALLACE**, is battling Leukemia. I want Linda and Dean to know that our prayers are with them. God bless you Linda. Also, Dean has joined **All Star Fitness in Oregon** as a **Vice President**.

•Welcome to **MARK HUTTS**, the new **Director of Sales for Fiserv Club Solutions!**

•**Happy Birthday and Congratulations** to my friend, **WALLY BOYKO**, 29-year **Publisher of the National Fitness Trade Journal**, on his 65th Birthday, celebrated on October 7th! I hope for many more Happy Birthdays for you, Wally!

•**Planet Fitness** held another **Planet Fitness Discovery Day** in Indianapolis, Indiana on Wednesday, October 14th, and the results were terrific. **JOHN CRAIG, Director of Brand**

Development, told me that, in the four-hour session, they sold 14 new franchises; 9 in the Fort Wayne-South Bend area and 5 in the Indianapolis area. Plus, they had a number of conversations with folks from the Midwest about possible club conversion. **Stay Tuned!**

•**IHRSA** is facing a *dilemma that can no longer be ignored*. That dilemma is how to go about refocusing IHRSA's energy and efforts back to the clubs in the United States. **If you are a club owner in the United States, you should know that U.S. clubs are responsible for 70% or more of IHRSA's annual operating budget**. To me, and to other IHRSA Members I know of, that means that a significant portion, a portion in line with



Norm Cates

that percentage (70%), should be devoted to serving clubs in the United States. Yet, if you look at IHRSA, and what has gone on for the past few years, you would think that IHRSA is an Association. (See Norm's Notes Page 6)



Jack and Elaine LaLanne and Justin Cates

...CatesFit Media

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club's atmosphere, communicate your club's mission and values and give the potential member a pretty good idea of what to expect if and when they choose to come in to your establishment, you are simply missing out on a growing portion of the market...

Remember, it is not the privilege of a potential member to come into your facility, it is your privilege for them to visit and potentially do business with you, so you must show them that you care and hope to earn their business. Much like keeping a facility clean is showing care in a physical sense, ensuring an excellent web experience is that care in the virtual sense, and it is much less expensive!

Announcing **CatesFit**

Media, this is the philosophy we follow. Here, you will not find template sites and plug-and-play ("insert logo here") solutions; we strive to build your web solution from the ground up. From initial consultation all the way to launch, we will work with you to ensure your web presence is everything it should be and more.

In an industry that isn't exactly known for the best websites, make sure yours does not disappoint. Whether you are new to the world of the web or have a web presence you aren't exactly proud of, I would be happy to discuss your needs and provide you with some options. Regardless of your budget, we will find the right fit; a *CatesFit*.

Justin Cates
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Thank You!

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- Shawn Vint - Greenmaple Wellness, Inc. - (888) 355 - 1055
- Will Phillips - Roundtables for Executives - Will@REXRoundtables.com



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...Norm's Notes

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ciation founded in a foreign country and that clubs in the United States are just a small part of it, rather than *the reason the Association exists in the first place!* So, you read it here first, folks; IHRSA is clearly at a

crossroads, where the Board of Directors must be made aware that there is a strong movement afoot by some major independent, IHRSA club owners and operators in the United States to get IHRSA *headed back in the right direction of a real and results-producing focus on the needs of U.S. clubs, the clubs that started, grew and*

supported IHRSA to be as strong as it is.

Examples of things IHRSA should be doing for U.S. clubs under its Mission Statement, *"To Grow, Promote and Protect the Club Industry,"* include:

- Development and funding of a major, nationwide *"Got Milk"*

style PR campaign to promote membership in health, racquet and sports clubs across the United States.

- Protecting the industry by taking necessary action to investigate and help stop industry crooks who destroy the reputation of all health clubs (See **Norm's Note About Shane Franklin**).

- The production of a study, delivered via a white paper, to help club owners deal with property tax assessors and the continued effort to push for a strong alignment of IHRSA Clubs in the United States with the medical and wellness industries.

- Very importantly, IHRSA needs Board Members who serve the Association to help its members and the industry at large, *not to help and promote their own business agendas as some IHRSA Board Members, past and present have been and STILL are doing.*

- Finally, **IHRSA should pass a Bylaw revision prohibiting any competitor of IHRSA from serving on IHRSA's Board of Directors.** You may or may not have a Board of Directors for your club(s), but do you think you would invite the club owner from down the street, one of your very own competitors, to serve on yours?

I'm going to stand up for what is right for our Association's U.S. Members, regardless of what happens. If you would like to have a conversation with me about this, you're welcome to call me anytime at **(770) 850 - 8506** and say your piece. I've said mine for now, but... **Stay Tuned!**

- Make plans now for **IHRSA's 29th Annual Convention and Trade Show, March 10-13, 2010** in beautiful **San Diego, California!** My son, Justin, and I will see you there!

- Speaking of my son, **JUSTIN CATES**, I'm proud to announce he's launched a sister company to **CLUB INSIDER**, and it is called **CatesFit Media**. Justin will continue in his role as President of **CLUB INSIDER**, but he will also run **CatesFit Media**, a company specializing in web solutions for the health, racquet and sports club industry. So, please check out the article announcing Justin's new company, starting on **Page #3**, and the new **CatesFit Media Ad**

on **Page #8**.

- Gold's Gym Franchise Association (GGFA) President, BLAIR McHANEY**, provided me with the following comments about GGFA's new vendor policy:

"The GGFA has spent seven years doing due diligence on purchasing cooperatives that help franchise systems grow. We know that our very nature makes us an untapped source for large purchase opportunities. As the GGFA has grown resources and gained greater influence, we have taken it upon ourselves to build a model purchasing program. We will be taking baby-steps before we get rolling, but we have an executable plan in place and have buy-in from key franchisees to participate. We never intend to create an environment where franchisees would ever be mandated to purchase through our system. Rather, we will be looking for the right vendor/supplier partners for goods and services that allow us to present value that attracts the business of our franchisees. An equally important piece of the puzzle for attracting franchisee participation is transparent financials, and franchisee ownership in the program."

Now is also a good time for me (Norm) to comment on the relationship between GGFA and GGI, since GGI now has a new **CEO/President, JIM SNOW, and he is their third CEO in one year!** *It seems to me that the GGFA is now in position to go on with business without GGI.* I think the Gold's Gym owners across America, and the world, should pool their resources and buy GGI out. I say this because I've watched the GGFA progress along the way, and I know some of the leadership team members involved with GGFA. GGFA has some great leaders. At the same time, I and the rest of the industry, have watched the parent company, **TRT Holdings, Inc.** of Dallas, Texas flop around like a hooked bass for the past five years trying to manage GGI. If I were TRT, I would call it a day and sell the whole deal to the Gold's Gym owners. Hell... GGI could do what **RAY WILSON** and **MARK MASTROV** would do and that would be to sell GGI to the Gold's Gym owners on an earn out basis, rather than requiring an all cash deal. I have a
(See Norm's Notes Page 7)



GGFA Open Letter to the Fitness Industry

Much has been said about the replacement of yet another CEO at Gold's Gym International. The Gold's Gym Franchisee Association (GGFA) welcomes the new President, Jim Snow, and we will work with him to make this brand better for all our stakeholders.

No brand is dependent on one individual. It is the cumulative passion of many that make a brand authentic. We also recognize the advantage of great leadership and we are ready to continue our collective march forward.

The GGFA is an organization of independent franchisees that bleed gold and black. We are connected through the Gold's Gym Family and have grown to represent 370 franchise gyms, dedicated to one another's success. Our mission is to lead franchisees, lift one another in good times and bad, and build our community of franchisees.

We stand as committed to this brand as at any time in our history. We have learned to work with our franchisor and while we may experience differences from time to time, we are still a family.

The GGFA has been a constant supporter of the Gold's Gym brand as it has grown to over 600 gyms in 27 countries and 43 states. We will be around for a very long time supporting the continued growth of this iconic brand that has stood the test of time.

To TRT Holdings: We remain dedicated to this brand's future.

To our new President, Jim Snow: Welcome to the family.

Let's go to work.

The Executive Team of The Gold's Gym Franchisee Association

Blair C. McHaney, President

Mike Epstein, Vice President

Joyce Freeman, Secretary

Barry Field, Treasurer

Gordon Johnson, Director

Drew Chesler, Director

Adam Ponzio, Director

Ginger Collins, Executive Director

...James Weaver

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Vice President for TRT's Omni Hotel chain, has been with the Omni Hotels since 1992, when he started as Director of Sales and Marketing. Caldwell wrote, "Jim will be reaching out to the franchise community over the next few days and weeks to introduce himself and hear your perspectives on the business. We

remain steadfastly committed to growing our domestic and international franchise operations and helping you succeed in your local markets around the world."

This stunning news about the resignation of James Weaver comes as a surprise to all observers and follows very sad news last month of the sudden death of Eddie Dail, the owner of 12 Gold's Gyms. Additional bad news for GGI is that a long

time and very prominent Gold's Gym Franchisee has decided to move their five clubs from the Gold's Gym brand to a new brand they have chosen for their organization. Stay tuned as we seek details from this franchisee for the release of this important Gold's Gym news.

CLUB INSIDER wishes James Weaver, Jim Snow and the entire Gold's Gym Family all the best in the future.

...Norm's Notes

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reliable and truly "inside" source who says that there is something much bigger happening at Gold's than just GGI being on its third CEO/President in the past year, so with that information, I wouldn't be at all surprised to see GGI change hands again, as I get the feeling the appointment of an inside TRT guy, Jim Snow, is nothing more than a temporary, patch-work measure to keep GGI running until they can sell it. We shall see, so **Stay Tuned!**

• You may have read **PHIL WENDEL's** amazing **Atlantic Coast Athletic Club (ACAC)** cover story back in April. Phil is far, far ahead of the industry overall when it comes to his ACAC organization's relationship with the medical community and the new membership business his four leading-edge clubs get from doctor referrals. His four ACAC club's membership business is receiving a huge boost from their **Physician Referred Exercise Program (P.R.E.P.)**, and his leader in that thrust is **AMANDA HARRIS**, the ACAC Vice President of Fitness & Wellness Services. Check out **Amanda's Article** on **Page #22**, and realize that ACAC is now making his expertise in this arena available to other clubs across the country. Read the article and contact Amanda at **amandah@acac.com**. One year from now, you and your club will be glad you did! Check out **www.acac.com** for more information.

• **BONNIE PFIESTER**, with her husband and *fitness superstar*, **Steve**, are the co-owners of the **Longevity Fitness Clubs** in Vero Beach, Florida, and they have announced that their clubs will be visited by reporter, **CHEE GATES**, of **Fitness Magazine**. Gates is coming to attend the Pfister's boot camps and produce a story on their **3-Day Boot Camp Retreat at Costa d' Este**. Steve and Bonnie were our **CLUB INSIDER Cover Story** subjects for our **June 2009 Edition**, and Bonnie is a **CLUB INSIDER Contributing Author**. To read her most recent article in our **August, 2009 Edition** with our cover story "Trust" where Bonnie writes about "10 Ways to Build Trust Of Your Club In Your Community," go to **www.clubinsideronline.com**.

• While investigating **SHANE FRANKLIN**, the individual I mentioned in last month's **Norm's Notes**, I spoke with **HENRY DABISH**, the son of **Powerhouse Gym Founder, WILL DABISH**. Henry told me they had been dealing with Franklin for more than a year, and their attorneys had sent several cease and desist letters demanding that Franklin stop using the Powerhouse Gym brand in pre-sales of gyms that were nothing but vacant spaces. The problem is Franklin has been on the move. Now, he's pre-selling several locations in the San Diego area, including one on Waring Road, where he's been in pre-sales since late May and has yet to perform any construction. I have now heard from six people in Nevada and California about Franklin and received one Word file with about 100 pages on it about Franklin. I'm digging into that in preparation for our next edition. If you have any information, please email me at **Norm@clubinsideronline.com** and **Stay Tuned!**

• I had the pleasure of attending the **Anytime Fitness Awards Presentations** at their **Annual Convention**, recently held at **Chateau Elan in Braselton, Georgia**, just Northeast of Atlanta. The event was remarkable in several respects. Over 700 attended, and they were from all over the United States and several countries, including Mexico. The amazing success stories of four of the Anytime Fitness members were told via videos, and then, each person came to the stage along with his/her spouse and the Anytime Fitness Club owner with his/her spouse. Congratulations to the Anytime Fitness folks for a very well done and successful event.

• **PETE BROWN's Athletic Business Conference and Expo** will be held in **Orlando, December 3rd and 4th**. Also, the **15th Annual MFA Medical Fitness and Healthcare Conference** will be held in conjunction with the Athletic Business Conference & Expo, and **New Balance** will be a sponsor. **COLIN MILNER's ICAA Conference** will be held simultaneously in Orlando. For information, go to **www.medicalfitness.org**, **www.athleticbusiness.com**, or **www.icaa.cc**.

• Remember this name: **RYAN HARRISON**. Ryan is a 17-

year old, up and coming tennis superstar according to **Laguna Hills Racquet Club** owner, veteran industry operator and former **IHRSA President, CECIL SPEARMAN**. Spearman recently had the chance to see Harrison do his thing, winning, at the **Laguna Niguel Pro Futures Tennis Tournament**, held at Spearman's Laguna Hills Racquet Club.

• **AUGIE'S QUEST** has exceeded its **36-month goal of \$18 million to find a cure for ALS a/k/a LOU GEHRIG's Disease** and is now pushing to top that with a second goal of another \$18 million. Clubs for the Cure has contributed **\$750,000** to the cause since it began. Check out the **Clubs for the Cure Ad**, featuring **12 Days of Fitness**, on **Page #28**.

• **Sport & Health** has used some of the **\$25 million** they recently received from Pittsburgh's **PNC Mezzanine Capital and CMS Mezzanine Fun** to acquire a **World Gym** in **Gainesville, Virginia**. The 15,000 square-foot gym will bring the Washington-based chain to 24 locations.

• **TASSO KIRIAKES**, our **August, 2006 CLUB INSIDER Cover Subject**, provided a really terrific presentation at the **National Fitness Trade Show** on how he runs his personal training business. His presentation was called, "**Creating a Personal Training Experience Zone of Results and Profit**," and he provided concepts, such as his definition of the **Experience Zone** = "**Spaces in your Biz that people pass through**." He explained that each person is profoundly affected by what happens to him in each of these spaces, and managing what happens is of vital importance to the final definition of your product and longevity. I am going to work with Tasso to produce a summary report of his great presentation. **Stay Tuned!**

• **GymTicket.com's** resident genius, **HOWARD LERMAN**, has announced that his company, **YEXT**, the parent company of **GymTicket.com**, has received **\$25 million** in capital by investors led by **Institutional Venture Partners** for his new and advanced system that harvests *pay-per-action* ads where the action is a relevant phone call that actually drives new business. The \$25 million in investment capital is a result of Howard's

presentation at **TechCrunch50**.

During the past three years, Lerman and his partners have grown **YEXT**, the company he and former high school classmates founded, to a **\$20 million business with 75 employees**. To get an idea of how high Lerman and his high school buddies might go, consider this statement taken directly from the **TechCrunch** website: "Yext is currently only in 12 local categories, including auto repair, chiropractors, gyms, vets, and podiatrists. There are **2,300 Yellow Pages** categories. Lerman is going to take the \$25 million and aggressively expand into those categories, hiring sales people to go after each one. He already has 75 employees." If you've not investigated **www.gymticket.com** for excellent new member lead generation for your

club, you should!

• Clearwater, Florida-based **Hydro-Massage** has named **ROBERT GIARDINA** to serve as **CEO**. Giardina, formerly of **Town Sports International (TSI)**, has been involved in the health and fitness industry for more than 30 years. In his most recent position as **CEO of TSI**, Giardina helped the company grow from **four locations to more than 150**. In 2006, he successfully took the company public. If you've not tried one of these HydroMassage machines at a trade show, you should, as they are truly amazing, and I am sure, great revenue producers for clubs.

• **Nautilus** has announced that they are going to sell their commercial division so they can
(See Norm's Notes Page 8)

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...Norm's Notes

continued from page 7

focus on consumer products, such as **Bowflex**. Well, I can only say **Hooray!** Maybe now, the formerly great Nautilus name and life changing equipment company can be sold to a company that actually has the best interest of their customers, the club owners of the world, in mind. In case you missed my previous comments, I have complained several times over the years about Nautilus' Bowflex ads telling TV viewers, and prospective health club members, that they don't need health clubs if they will just buy a Bowflex!

• **October is Breast Cancer Awareness Month**, and **Cybex** is certainly doing their part with their pink treadmills! Congratulations to **JOHN AGLIALORO** and his **Cybex Team** for this great effort where they're helping raise money for breast cancer research with every treadmill they sell.

• **KIRK** and **JOHN GALIANI** shocked the **Gold's Gym** owners organization at their recent conference in New York City with the release of their decision to drop the Gold's Gym brand and move on to their own new brand, **Onelife Fitness**. The Galiani's were

formerly the owners of **Gold's Gym International, Inc.**, along with **PETER BROCKWAY's Brockway Moran Company**, and had since built a cluster of five very upscale Gold's Gyms in Raleigh, North Carolina. Stay tuned for more on this story.

• There will be **no sales tax on health club memberships in Pennsylvania**, thanks to **IHRSA** and some of the club owners' efforts in that big State! This is another victory for **IHRSA in Public Policy** on the State level, and it pushes the record this year to 20 wins and 0 losses!

• The new proposed industry **voluntary fitness certification standards** are now available for your review via **IHRSA**. I urge you to go to <http://ihrsa.org/facilitycertification> and get involved in this process. Study the proposal, make **YOUR** suggestions **NOW** and truly make a difference. The NSF agency has set a November 23, 2009 deadline for input. **Stay Tuned!**

• **CASEY CONRAD** took an **8,832 mile road trip** through **20 different states** and visited **36 different clubs** last summer. Casey's videoposts on her website, www.VisitOurClub.com, are truly priceless and showed so well the dedication, enthusiasm

and yes, love, that the one and only Casey Conrad has for all of us in our great industry. Check out **Part I of Casey's Report** on her amazing adventure on **Page #20**.

• We've produced a **Slide Show of CLUB INDUSTRY 2009 in Chicago**, and you will find it at www.clubinsideronline.com.

• One of the most enthusiastic guys you will find in our industry is **BILL PARISI, Founder** of the **Parisi Speed School**. Here is what he said about having **PAT LAUS'** fabulous **Atlantic Club** on board:

"We are thrilled to have The Atlantic Club and its visionary owner, Patricia Laus, join the Parisi Speed School family. This alliance strengthens our mission of **Empowering America's Youth**, and we are working very closely with The Atlantic Club team regarding their license activities and will be featuring their progress moving forward."

• My friend, **JAN RUBINS**, has shaved his mustache after 30 years, and word I got from him in Chicago was that it was to make his new girlfriend happy! Well Jan, tell her that I said, "She must be quite a nice lady to have you do that!" This leads to my **CONGRATULATIONS** to Jan

and his **LifeCenter Plus Team** in Hudson, Ohio, as **Aquatics International Magazine** will feature **LifeCenter Plus** along with 10 other winners in their **Best of Aquatics** supplement to their November/December issue (See the **Press Release** on **Page #26**).

• **17 Years and Counting!** Yep, with just a few more strokes of this keyboard, I complete **Norm's Notes** for the last edition or our **16th year of CLUB INSIDER!** **WOW...** has this been some **RIDE!** I can only say **THANKS**, from the bottom of my big 'ol heart, to the **many wonderful people** who've made it possible for a determined guy, a **former N.C. State football player who flunked English 101 his Freshman year**, to end up being a 17-year publisher. Clearly, we have evidence here that there is a **God!** So, my most sincere, heartfelt thanks go to all involved:

To **ALL of you who have read and do read CLUB INSIDER**; to my Dad, **NORM CATES, SR.**, who will celebrate his **92nd Birthday** on December 27th; to my son, **JUSTIN CATES**, who grew up in this industry, and at age 8, began his publishing career by helping his Dad stuff envelopes with **CLUB INSIDER** issues, and who now, at age 24, is **President of CLUB INSIDER**; to my great

industry friends in the United States and across the world, led by my best industry friend, the great guy I teamed up with to start **IHRSA 29 years ago**, the **one and only, RICK CARO**; to our **wonderful advertisers**, one and all, from start up until this month; to our super **Contributing Authors**, experts one and all; to the **FAUST Executive Round Table #1**, led by **DR. GERRY FAUST**, who helped me dream up **CLUB INSIDER**; to my friends, **RON HUDSPETH** and **CATHY BROWN**, of **Atlanta's Hudspeth Report**, without whom I would never even have gotten started; and to **Walton Press**, the fabulous 109-year old printing company in Monroe, Georgia... a greater company you will not find. So, my very sincere, deeply heart-felt thanks go to all of you.

• **God Bless** the men and women of our **United States Military** around the world, and especially, bless those in the line of fire in **Afghanistan** and **Iraq**. May they be safe and come home to their loved ones with victory as soon as possible. **God bless you, your family, your club and your members.** And, **God bless America!**

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...Gale Landers

continued from page 3

member. Gale recently completed two acquisition transactions: first, acquiring a 19,000 square-foot facility that is currently being renovated and expanded to 52,000 square feet, and then, just three weeks ago, buying 2,300 memberships out of the Crunch bankruptcy proceedings. FFC is now integrating those former Crunch members into their several locations throughout Chicago.

The 80,000 square-foot FFC Union Station is three stories tall and is in a building on the Chicago River that formerly housed the Chicago Mercantile Exchange back in the mid 1970's. The building was vacant for over twelve years and is one of a kind, located amongst numerous office buildings; column free, with a thirty foot ceiling in the main workout area. It sits at street level, on top of the Union Station transportation facility below. One amazing thing about this club is that, although it is 10 years old, it sparkles like it's brand new. The Union Station FFC serves over 7,000 members, and its brand new look and immaculate condition is a real testimony to Gale Landers and his FFC Management Team.

Differentiating factors for The Fitness Formula Clubs include their WellFIT Corporate Programs that boasts the likes of companies such as Adolf Coors, Bank of America, Traveler's Corporation, the Rand Corporation and Steelcase and established partnership and medical sub-tenant affiliate relationships with Chicago's leading hospitals and physical therapy providers:

- Rush-Presbyterian St. Lukes Medical Center
- Northwestern Memorial



FFC Advanced Training Floor

- Hospital
- Rehabilitation Institute of Chicago
- NovaCare Physical Therapy
- Elite Physical Therapy.

Fitness Formula believes its biggest asset rests in its quality staff, and its clubs are differentiated by a commitment to high levels of customer service. Training is a key element in Fitness Formula's success, and the Fitness Formula Training Academy focuses on living up to the Academy motto, "Quality Service Through Quality Staff." Fitness Formula's key staff created the Academy to achieve three things:

1. Develop company-wide depth
2. Foster career paths and staff growth
3. Promote sharing of club best practices.

Training courses are taught by top Fitness Formula management and outside professionals, and the following course offerings are included; New Employee Orientations, General Management Principals, Financial Management, Facility Management, Health and Fitness Modules, Operations and Facility Maintenance, Information Systems, Sales and Member Retention and Human Resources and Personnel Management.

600 Fitness Formula employees work with Gale Landers, a guy who really loves what he does and who is totally dedicated to his members and staff. Gale Landers is a real credit to our industry and one who served the industry well with his tenure on the IHRSA Board which included serving as President of the Association. It is our pleasure to present this interview

with Gale Landers, Founder and CEO of Fitness Formula.

An Interview With Fitness Formula Owner, Gale Landers

First, **CONGRATULATIONS** Gale on Fitness Formula's 25th Anniversary! I know that must be a very satisfying feeling to be at that milestone. But, let's get into the interview, and we'll talk about your anniversary later.

CLUB INSIDER (C.I.) - Gale, where did you grow up and go to school?

Gale Landers (GL) - I grew up on a corn and soy bean farm in mid-central Illinois. The nearest 'town' was called Grand Ridge --all 600 people. You guessed it, no stop light. I went to elementary school there, but of course, it had no high school. Everyone bused for miles around to the next biggest town for high school, which was in Ottawa. High school sports were a huge part of small town life, and I was fortunate to play four sports; football, basketball, track and summer baseball.

C.I. - What was it like growing up on a farm back then?

GL - Looking back, I wouldn't trade it for any other. Farmers are true entrepreneurs. I learned much from my parents, and it was great basic training if you eventually wanted to own a business. As a youngster, I watched how my father had to plan in advance, be disciplined with expenses, careful with debt, manage cash flow, take risks and put in long hours when it was necessary. I knew before I was out of high school that I wanted to have my own business, but it wasn't going to be farming; athletics were my passion.

C.I. - So, you went to college where and how was that experience?

GL - I attended college at Western Illinois University, in Macomb. I majored in accounting and played baseball all four years, thanks to an athletic scholarship. I was fascinated by college. It opened up several lifelong relationships, and I learned so much outside the classroom and on the playing field. After completing my undergrad in accounting, I also did a Masters in Athletic Administration, which was a new post grad offering at that time.

C.I. - Have you been in the Midwest all your life? And, how



Fitness Formula Reception Area

did you meet your wife?

GL - Yes. Straight out of college, I moved to the Chicago area. My wife Anne and I live on the near North Side of the city. We met at Willow Creek Community Church as volunteers in a ministry called Good Sense, which assists people with basic financial and budgeting guidance.

C.I. - When, where and how did you first become involved in the health, racquet and sports club industry?

GL - Upon finishing grad school, I was hired for my first real job in the early 80s as a club GM by the late Herb Salberg to do a 'turn around.' The club was a financial mess. It gave me the opportunity to cut my teeth very early in my career. More importantly, Herb was a wonderful mentor. He was Athletic Director at a local Junior

College and also coached sports. We had a lot in common, and I had a lot to learn from him. He taught me early on many of the basics of the business. I immediately liked the challenge and the gratification of building a team in a business environment. We implemented something called 'electronic funds transfer' way back then, and eventually, the club started making money.

C.I. - How did Fitness Formula happen?

GL - That first job helped me channel my interests. It combined my intrinsic interest in athletics with my early on desire to create a business. By 1983-1984, I was considering how I would make the transition from club management to club entrepreneur. A mutual friend introduced Michael Gitlitz
(See Gale Landers Page 12)

Fitness Formula Mission Statement and Guiding Philosophies

●Our **Mission** is to build, own and operate great clubs and deliver outstanding results. Our clubs share a common vision of excellence designed to provide individualized member results, valued career paths for our staff and strong financial returns to our investors.

●**Purpose** - Our **Purpose** as a company is to enhance the lives of our members and guests by improving their overall health and well-being.

●**Core Values** - Our clubs operate under a set of **Core Values** that impacts every decision we make.

●**Improvement** - We are committed to new and innovative ways to serve our members in order to enhance the value of membership.

●**Safety** - We are committed to providing safe equipment, well-maintained and supervised facilities and education through programming.

●**Friendliness** - We are committed to creating a fun, friendly and motivating environment where members can make positive lifestyle changes.

●**Superior Service** - We are committed to listening, understanding and responding to the interests and needs of our members.

●**Integrity** - We will conduct our business with honesty and treat all staff, members and guests with respect.



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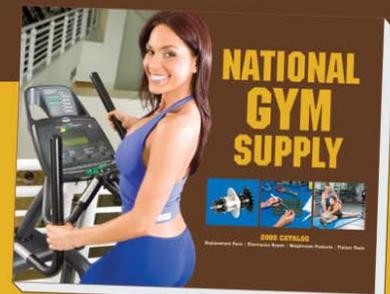
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...Gale Landers

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to me. He was still practicing law at the time, and he wanted to make a career change into the fitness industry. We decided to take the plunge. We both quit our jobs and founded Fitness Formula in 1984. Sadly, Mickey passed away in 1990.

C.I. - You have nine locations now, right? But, I know that may be a moving target.

GL - We actually have eleven locations due to some recent acquisitions; eight FFC clubs that we own and three corporate fitness centers that we manage for major Chicago-based office developers that are only available to their tenants.

C.I. - Tell us about those acquisitions.

GL - In August, we acquired a facility in the city's largest apartment complex adjacent to a major city and suburban transportation center on the West Side of downtown. It's 19,000 square feet, and we plan to expand it to 52,000 square feet. The club is part of a major renovation of all

the retail components in a 2,400-unit apartment complex.

In late September, we acquired 2,300 memberships. These were Crunch membership agreements that we bought out of the Crunch Chapter 11 Bankruptcy Court. Our hub and spoke cluster strategy provides the ability to absorb their members, depending on whether they live or work close to one of our locations, and we have our eye on a couple other things.

C.I. - With these acquisitions, what will your annual revenues be, and what will your average square feet per club be?

GL - Annual revenues will be over \$40 million for the eight owned locations and average square feet per club of approximately 45,000. In addition, we manage three corporate fitness centers for leading Chicago office building developers.

C.I. - Who are some of the key members of your Fitness Formula organization, and how long have they been with you?

GL - All of them are key from my perspective. The seasoned veterans with many years of

Fitness Formula Experience are: Lauren Eller, HR Director, has been on the team the entire 25 years. She worked in several club positions along the way. As a result, she developed a keen first hand perspective on staffing requirements that has been huge in the development of our culture over many years. Scott Lewandowski and Kelly Malohn have regional management oversight of our clubs. Scott, 15 years, started as an intern, took on several fitness positions in multiple FFC locations and was a successful GM prior to his current role. Kelly, 10 years, also a successful GM, has been instrumental in the development of many of our operating systems and training programs. Scott and Kelly have a powerful blend of team building skills, creativity, and operational experience.

Then there are GM's like Larry Duncan, Logan Shaver, Jeff Long, John O'Connor, Shaun Flaherty, Josh Leve, Lisa Humbert and Scott McClain. Each has been on board several years, virtually all of them have grown up and through our industry their entire careers, and are very trustworthy. Their collective decades of experience matter and go far in the leadership required to create the culture of "Where Membership Means Something." They are supported by a committed group of corporate staff including Brian Singleton, CFO, who joined us from the public accounting world; Greg Cibura, IT Director (10 years) who has lived and breathed all that is 'tech' since childhood; Jan Ryan (5) who has grown our spa and retail division; and Kat Byrne (6) who drives our corporate wellness.

In addition, Chris Colletti (8), Chris Horeth (7), Mike Drozd, Lisa Rapaport, Marina Niehoff and Mara Magdich are the back bone of corporate support ranging from marketing to accounting and administrative services. This entire group has an amazing work ethic and an ability to rise to challenges.

I could go on with a very long list of many front line players that exemplify our success over the years. People like Skip Chapman, Michelle Amore, Kristin Strom, Josh Zaffino, Laura Consolino, Liz Callham, Jerry Caponigro, Lisa Gregorich, Gordana Cirkovic, Gloria Cruz, Ernesto Manarrez, Gustavo Mendoza, Scott McWilliam, Dominic DeFranco, Tyrone Singleton, Michelle



Fitness Formula Presidential Towers

Hodges, Mark Hackman, Tom Petratis, Dan Bentz, Corey Potter, Maribel Castillo, Kip Horner, Julie Talbot, Eric Cherry, Miguel Rojas, Terrance Terrell, and Caitlin Akey... are just a few of the many other standouts that deliver the FFC Experience day in and day out.

C.I. - How have things been going during this recession, and have you done anything different to deal with it? If so, what have you done and how has that worked out so far?

GL - Norm, every seven to nine years or so, the United States seems to experience an economic down cycle. My view is this usually happens on the heels of a speculative driven mindset of excess. As a result, I think it's important to prepare for down cycles during the good times. You know the down cycle is going to happen. It's just a question of

when. From my view, that means two things; be adept at managing the river of cash, and don't over leverage. This can preserve your Balance Sheet with plenty of cash as a percentage of overall assets in order to be prepared for any tough sledding ahead. As one who has always been debt averse, I prefer to borrow money in down times and accelerate payback during the good times. It allows for the preservation of cash for unanticipated needs... as well as opportunities.

On the operating side? One of our favorite company axioms is, "Our biggest competitor is mediocrity." Superb execution of the blocking and tackling of the business is all the more important during the down cycle; things like genuine compassion for each and every member, first class upkeep, taking high care of your most (See Gale Landers Page 14)

Fitness Formula Clubs Add Presidential Towers Facility

On August 1, 2009, Fitness Formula Clubs (FFC) added the Presidential Towers Health Club to its network of Chicagoland locations. FFC will use its award-winning design to completely renovate and expand the current facility to 52,000 square feet on two levels, more than double its current size. The facility will remain open during the transition period. Once completed, the club will feature a dramatic new, street-level, 3-story glass enclosed atrium entry located just off the intersection of Clinton and Madison streets, providing direct member access to a new state-of-the-art health and fitness facility.

The location is situated in one of the fastest growing submarkets in the Chicago metropolitan area. The new club entrance will be across the street from Chicago's Ogilvie-Northwestern transportation center, offering thousands of daily Metro commuters an ultra convenient fitness experience. Two hours of free parking will be made available to members in the 1,100 space in-building parking garage via a direct connection, weather-free pedestrian bridge.

The club will offer a wide variety of exercise options for both residents of Presidential Towers and the public alike, including an indoor swimming pool and whirlpool with atrium ceiling; an outdoor swimming pool and sundeck; the FFC Spin Theatre; Pilates Studio; Mind-Body Studio; Group Exercise Studio, featuring the FFC innovative signature classes; Yoga Personal Training Studio; fully-appointed executive locker rooms with complimentary towel service, daily changing, private rental lockers and laundry service; a Sports Shop; the FFC Spa offering esthetician services, several types of massage therapy and indoor tanning; Juice Bar Café; the latest cardiovascular and strength equipment and tons of free weights, just to name a few.

The transformation and expansion of the existing fitness facility into a fully branded FFC is the cornerstone of a major renovation of the retail components in the Presidential Towers complex. FFC and Waterton Residential, owner of the property, will be working together on the renovation over the next several months.

Fitness Formula Clubs Acquires Crunch Memberships

Fitness Formula Clubs (FFC) of Chicago recently acquired the Crunch Membership Agreements from the Crunch Gym Chapter 11 bankruptcy court proceedings in New York. FFC purchased the membership agreements at the recently closed Crunch location at Grand and Wabash Avenues in Chicago. Crunch's owner, AGT Crunch, filed for bankruptcy protection in May and elected to close or sell the remaining assets of some of their nationwide locations.

FFC acquired 2,300 memberships. Former Crunch members of the Grand and Wabash location can choose the FFC location that best suits their workout needs as their home club. Members with an all access Crunch membership graduated into the FFC all access program of participating FFC locations which includes their Gold Coast, Old Town, Union Station, South Loop, Halsted Street, East Lakeview, West Loop and Oak Park locations. The Grand and Wabash Crunch location officially closed for business on Wednesday, September 30th.

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...Gale Landers

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loyal customers, acknowledging members by their name at the front door and retaining core members. None of us can control the things outside our company. We can control the things inside, such as always striving for the best service standards and creating member value. It's also a great time to build your systems for the future with better hiring, better training and better buying.

The good news is club visits per member is at or near an all time high. For members who have a high value placed on their monthly dues, this is a great time to drive home that value. There is a good chance they are buying less, eating out a bit less and traveling less. These are all out of pocket expenses each time but not when they visit your club. A high use member is usually a satisfied member, and the more they use it, the higher level of trust they have in your organization.

Usually, an economy like this separates clubs that put their customers first from those that sacrifice loyalty for short-term gain. As a result, we avoid heavy discounting and work to maintain our brand loyalty.

C.I. - Gale, your www.ffc.com website shows that FFC's been named "Best of Chicago" by Chicago Magazine. Tell us about that honor and how long you've received it.

GL - Chicago Magazine is our city's leading monthly publication. They came out with their "Best List," and we were fortunate to receive their recognition. It happened totally unannounced or unknown to us over a year ago.

C.I. - Congratulations again on your 25th Anniversary. Tell our readers what it's like to be there and how hard was it to make it 25

years?

GL - It has allowed me to pursue my own passions and ideals over an entire career. The development of our company core values represents one of my life goals: to build a sustainable and profitable business while striving for excellence and delivering lasting results to members, staff and investors. Much of the 25 years have been about the challenge and excitement that comes with entrepreneurial development; the thrill that comes with deal making and the risks and rewards, including the gratification of creating hundreds of jobs and rewarding careers that provide thousands a vehicle to live a healthy lifestyle and support a higher quality of life. There's nothing more motivating to me than the repeated stories of transformation and success of our members and staff. It's deeply gratifying to do work that has a cause and to be warmly welcomed with open arms in each Chicagoland community that we have landed in.

C.I. - Your slogan, "Where Membership Means Something," is a really good one. Please tell us from your heart what that means to you, your people and your members.

GL - Our brand tag line is a way of expressing what Fitness Formula Clubs have been, are and will continue to be. It places a stake in the ground. The tag line is an expression, and the action behind it helps define and set the brand apart to both members and staff. It reminds us daily to make the promise of the line a reality, by the manner in which we treat members and staff every day. No attitude, just gratitude. In a practical manner, it means numerous implementations of the FFC Standards for operating our Clubs, but to describe a few of the fruits of that implementation:

It means joining a Club that understands you, reaches out to you and strives to provide you with everything necessary to achieve what you aspire to. It means being a haven for the overstressed, a setting where people get more out of life and a ground to sow seeds of friendship and success. It means members recounting success stories on how our stellar staff is their best motivator. It means staff relaying how members make their work fun and enjoyable. It means collectively creating a unique community focused on achieving potential, pushing to seek constant innovation and unlocking opportunities to give back to our communities.

C.I. - I've read your *Connections Magazine*, and I find it terrific. Thanks for sending it to me. How long have you published this terrific magazine for your members, and what benefits does it provide your organization?

GL - Thank you. We have been publishing this for about seven years now. It is the visual representation of "Where Membership Means Something." It's loaded with member-staff success stories, community outreach, motivation and education. It reinforces the value of an FFC membership, and it paints our customized story to prospects.

C.I. - Thank you for your service to IHRSA, Gale. What years did you serve on the Board, and what year were you President of IHRSA? Tell us why you've supported and served IHRSA all these years.

GL - In a word, it's just like most members think: value. For very reasonable annual dollars, we receive the benefits provided by the leading global fitness trade association that grows, promotes and protects our business. IHRSA drives initiatives that none of us could do on our own, including being in the middle of today's issues in Washington, representing all industry stakeholders as it relates to the current health care challenges.

Early in my career, it served as a personal catalyst in that it provided a breakthrough moment I might not have otherwise experienced. It happened at my first IHRSA Convention. It was in the mid-80s. We had just started Fitness Formula. The fitness industry was in its relative infancy at that time. Attendance at that convention



Fitness Formula Locker Room

immediately confirmed to me this was an industry that was going to make a positive difference in the lives of millions of Americans as it grew. It was full of passionate entrepreneurs that desired to learn from each other and share best practices for the greater good of all. That convention was a huge eye opener. I knew I was in the right industry at the right time. I had the wonderful experience of being a Board Member from 1997 - 2000, serving as President in 2000.

C.I. - If you could summarize good advice for our readers who wish to be multi-club operators, but only have one club now, what would that advice be?

GL - Norm, there are many. I will offer up a few quick ones:

- Follow the Jim Collins precept, in his book, *Good to Great*, of having the right people in the right seats on the bus. There is no replacement for the right talent in the right positions.

- Numbers run the business. Leaders have to pay close attention to the financial needs of the business. You have to be able to look at the numbers and understand the relationships between them. You can't afford to wait until someone else tells you these things, so you need to know enough accounting to figure out which numbers are most important.

- Systems provide the internal structure. Standardize your systems early on so that everyone knows the play book when the quarterback makes the call.

- The culture drives the company. The leaders of your business need to be 'all in' and on the same page, and the boss needs to define it and enforce it.

- Value your cash. Make it before you spend it.

Well ladies and gentlemen, there you have it; another **CLUB INSIDER Cover Story** that has placed you inside the life and times of one of America's greatest club operators, Chicago's Gale Landers. **CLUB INSIDER** seeks to deliver truly meaningful cover stories as a method of advancing the state of the art of our industry by helping club operators learn from each other... actually, a fundamental premise and reason for the existence of IHRSA. The key is that you, the reader, study and take away the meaningful and helpful thoughts of cover subjects like Gale Landers, Mark Mastrov last month and over 180 others over the past 16 years. By doing so, you will be able to access wisdom, knowledge and ideas that you may not have yet discovered for your business. Thus, you will improve your club by regularly reading **CLUB INSIDER**.

CLUB INSIDER would like to thank Gale Landers for his time and effort involved in this great cover story and **Chris Colletti** for his assistance with the photos and images.

In November, **CLUB INSIDER** begins its 17th year of publication, and we have been honored to work for you.

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



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Fifteen Steps to Paradise

By: Will Phillips

Step 2 Elements in a Strong Sales Machine

Clubs with **Strong Sales Machines** (SSM) located in strong markets are posting 5-7% real gains in sales this year. SSMs take time, money and effort to build. Fortunately the directions for building a SSM in the club industry are clear, specific and thorough.

1. DESIGN of your SSM defines the business model of your sales function. Getting this right is critical, and it often requires some trial and error to find out what really works in your market. The design includes:

A. What are you selling? Monthly memberships, annual memberships, programs or all of these?

B. What is the pricing for each? Including initiation fees, administrative fees, card fees, etc. How does a customer pay? Upfront, monthly, EFT or credit card?

C. Is your contract complete and legitimate? What values drive your contract? Maximizing profit? Customer fairness? Clarity or obscurity?

This is the foundation for the rest of your SSM. Many clubs create a design that favors

the club without really knowing much about their potential customers. For example, one club priced memberships at \$79 for singles, \$99 for couples and \$114 for families. Only 10% were family memberships, and the owner felt this was out of whack as the market was largely families. After doing a handful of sales himself, the owner noticed that, again and again, prospects seemed to lose energy when the family membership was introduced. The most frequent response was, "We'd like to think about it." The owner changed pricing to \$99 for a couple or family. In the next year, they added 1,000 families. The Design of the SSM was more responsive to the market realities.

2. LEAD GENERATION DESIGN and SYSTEMS address an area which is weak in the majority of clubs, particularly in 2009. All clubs report a decline in walk-ins. In looking at one chain's walk-ins over a ten-year period, there was also a steady decline. This appears to be the result of increased competition and expanded consumer knowledge. The widely publicized aggressive sales tactics of health clubs may also play a role.

Step one is a decision about what percentage of leads will be club-generated through marketing, branding, word of mouth, etc. that drives walk-

ins and what percentage will be generated by sales people through their guerilla marketing and outreach. Many clubs with SSMs start at 50-50 and actually get 60% walk-ins to 40% self-generated. Clubs who excel at walk-ins tend to have full-time marketing directors and an annual marketing plan. Clubs with strong self-generated leads tend to have at least half a dozen guerilla marketing strategies on the shelf and regularly develop new ones to support their sales people. One place to start is with the *Guerilla Marketing Workbook*, available on Amazon.

Driving both channels of lead production every month of the year enables your sales people to sell. Without these in place, your selling may become order taking.

Publisher's Note: Please also see Will Phillips' two-part **CLUB INSIDER** feature, "125 Membership Lead Sources." Access it for free by signing up for **CLUB INSIDER's** industry help website, www.AmericanHealthClubs.org.

3. RECRUIT, SELECT, HIRE - So far, we have designed a good portion of the system. It now needs to be populated with sales people and a sales manager. Hiring the wrong person will undermine everything. Key attributes to look for in hiring sales people are a positive attitude, resiliency in spite of rejection and empathy, the ability to read, understand and engage others. On top of this is a history of selling, experience such as newspaper subscriptions sales by ringing doorbells, door-to-door candy sales or more sophisticated selling.

Without getting too elaborate, you can test positive attitude by how many times a job candidate smiles and laughs in a 30-minute interview. For one of our Roundtable member clubs, it is a minimum of one laugh and seven smiles. Empathy/engagement in an applicant may be evaluated by asking them to go onto the gym floor to find out how a few members feel about the club. Send them out there and just watch how they do it. There will be more on hiring later in this series.

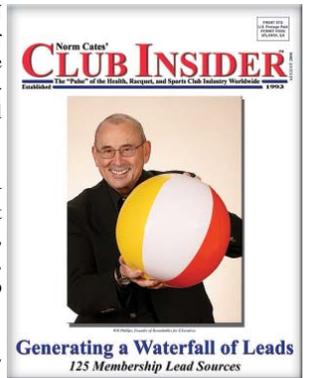
4. NEW SALES PERSON ORIENTATION covers our selling process, our club culture and values, our employee handbook and our expectations for all staff and sales staff.

5. CORE SALES TRAINING covers detailed knowledge about the club, its history, vision, policies, procedures, programs, equipment, staff, membership offers and pricing.

6. GOAL SETTING can now be done. This begins with the business leader(s) setting tentative overall sales goals based on their view of the business environment; the market's size and evolving needs, the capacity of their club(s) to market and sell and the financial needs of the business. Information that shapes these tentative goals is now shared with marketing and sales people if they have not been involved so far. Exploration of the implications of the goals on each department gets underway and dialogue, instead of persuasion, is used to learn so the leader(s) can eventually set challenging goals that they are all truly committed to. This should be in place a month before your new fiscal year begins and reviewed quarterly. A useful resource is the book, *Execution*, by Larry Bossidy and Ram Charan.

The company-wide goals can now be translated down to monthly goals for individuals and total sales goals for each month. This must be integrated with sales funnel information, which includes historical ratios for the number of walk-ins to the number of tours, the amount of self-generated leads to appointments to sales and the number of sales. Using these numbers, you can now work backwards on what behavior must happen at the beginning of each month to produce the desired sales weekly and monthly. This must be done regularly and assiduously forever.

7. SALES MANAGEMENT



Will Phillips

can now begin. Either the owner does this or you find a sales manager. This person may be the most valuable individual on your staff because, when good, they drive your revenue, which enables everything else to happen in your club. Do not skimp here to save money. The ROI is very high. You may have to hire, fire and rehire to get the right person. Do not give up here or you will become the frog in the wagon wheel rut (warm and shady with lots of water... for a while).

Here is what the sales manager must do with few exceptions: Measure actual figures in the sales funnel for each sales person daily, use gaps between goals and actual results to diagnose where a sales person needs help, then make sure they get immediate, constructive and useful help. On top of this, the sales manager must be a motivator while also being a driver of performance.

8. CELEBRATION of progress and success is a motivational booster. DO NOT forget this icing on the cake.

Background For This Article

Learning From The Best - In two decades of working with about one hundred of the top health clubs who are members of REX Roundtables, I have seen what the best do in terms of

(See Will Phillips Page 18)

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...Will Phillips

continued from page 16

making root cause improvements in their businesses. From that experience, I have identified fifteen elements in a truly healthy, resilient, growing, profitable and community-contributing health club. When all of these fifteen elements are in place, they are mutually supportive.

Step One is creating your business vision. You must have a vision that inspires and focuses everyone's choices. A vision is a statement of what you want in the future. It is not HOW you will get there, but WHAT it looks like when you get there. It is positive, descriptive and very specific. Your vision is the foundation of your competitive strategy. Read **Step 1 of Fifteen Steps to Paradise** in the **September 2009 Edition** of **CLUB INSIDER** for more details on the why, what and how of visioning. If you are inspired to create a vision and want some coaching, join Bo Burlingham, author of *Small Giants*, and myself in a visioning workshop in Ann Arbor, Michigan - October 19-20 or a repeat in the spring.

RESOURCES: REX Roundtables has developed a six-page Sales Management Check List to help you clarify what you need and what you have in this position. We also have several other resources available for free at www.RexRoundtables.com.

Step 3 in this series will appear in **CLUB INSIDER** next month and will cover strategy, especially your competitive strategy. Getting this right makes everything else easier. Failing to invest and move towards a competitive strategy will make everything much, much harder for your club.

(Will Phillips is the President of REX Roundtables for Executives. REX chairs eighteen club owner roundtables in the United States, Australia, New Zealand, Brazil and Japan. The newest REX Roundtable will focus on Small Giant businesses in all industries. Will may be reached at Will@RexRoundtables.com)

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What I Learned Visiting Your Club

By: Casey Conrad

Part I

"Discovery is the fuel for competitive advantage," so says Jay Abraham, a world famous marketing Guru and a mentor of mine. Well, there hasn't been a single club operator that I've spoken to in the last year that wouldn't jump through hoops to discover a competitive advantage --any advantage-- in this difficult economic time. So, I decided to do something fairly radical; I packed up my camper, dog and self and headed out across the great landscape of the United States

to visit health clubs. My goal was to discover what clubs are doing to help create a competitive advantage in their marketplace.

I began promoting the trip in the spring and had health clubs submit an application telling me what they were doing that was remarkable and convince me to come visit them. I had over 120 applicants, and after sifting through the applications, comparing geographic locations to my proposed route and estimating my timeframe, I had about 30 locations to visit and the expectation of picking up a few along the way in areas where I had none planned.

On July 27th, 2009, I pulled out of my driveway in Wakefield, RI, towing my hybrid camper with an F-250 pickup truck... some serious metal! Over the next six weeks, I would travel 8,832 miles through 20 different states and visit 36 different clubs. To see my route, go to www.VisitOurClub.com.

I must admit, although I was really looking forward to the trip, I wasn't sure how I would fare. I travel all the time for business, but to be a complete nomad for six weeks, living out of a 19-foot travel trailer, using campground facilities, cooking with a three-burner stove and having just a small duffle bag of clothes wasn't something I had done before. This was no one-week camping trip in New England! I surprised even myself and can happily report that I absolutely loved the experience. Not only did I meet some fantastic club operators along the way and see some clever, insightful things, but I was also completely comfortable with my nomad existence. Heck, I didn't want the trip to end!

So, what did I discover on my journey? Let's start with the big picture. These items probably won't provide any "Ah-Ha's" for most readers, but they were interesting to me because of their global presence. I realize that, with each one of these observations, there will be exceptions, and perhaps, your club is one of them. Therefore, let me disclaim here that these are general observations that appeared over and over again during my conversations and visits.

- There wasn't a single club I visited that hadn't been affected by the economy in some way or another. Most told me that their membership numbers were down, their attrition was up, or both.

- Cutting expenses was the primary way most clubs were able to withstand the loss of revenue from the lower membership numbers. On average, clubs cut 15-20% of expenses. Almost all said they were amazed at how easily expenses had crept up and that much of the expense cutting would not negatively influence the member's experience at the club.



Casey Conrad Hits The Road!

- The clubs seeming to have the most difficulty competing fell into the \$25-\$49 price range. This mid-range price point has such a wide variety of club formats that perhaps consumers aren't sure of what they will get. On one hand, you can find a 5,000 square-foot, 24-hour keycard club, but in the same market, for almost the same price, there is an older, court-converted club with 60,000 square feet. Certainly, we can claim that this is the clubs' marketing problem, not the consumers, but regardless of the reason, this mid-range market is struggling.

- Every club operator asked me the following questions, "How are other clubs spending their marketing dollars?" and, "What are clubs doing to make the phones ring?" More than one operator told me they are searching for new ways to spend their marketing budget because they simply have stopped newspaper and other higher-cost ad spends due to inadequate response rates.

- Clubs that have a sales staff who are aggressively trying to guerrilla market are doing better than their club counterparts who do not have such systems in place. Even big-box chains are requiring their sales staff to do a greater amount of outreach each day/week. Although these

forms of marketing don't get the mass penetration that an ad or direct mailer would, they seem to be one of the only forms of marketing that is consistently working. I took some great Flip Video footage of some guerrilla marketing pieces along the way, so be sure to go back and check out the blog, especially the Urban Active visit in August at www.SmartClubMarketing.blogspot.com.

- Clubs that seem to be reinvesting in their infrastructure said that the improvements have helped keep existing members and attract new ones. Although I wasn't auditing anyone's books to confirm or refute this claim, I must say that walking into a club that has had recent renovations created a totally different feel than clubs that looked tired and worn. It may sound "touchy-feely," but there really is something to be said for the energy level of a club. Some of that energy comes from the members and the employees, but the physical attributes play a very important role. Let's face it, if you walk into a club that is in need of renovations or seems dirty or run down, you are more likely to question the decision to give them your money!

No doubt you veteran operators have read through that
 (See Casey Conrad Page 24)

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Medical Referral: Getting Memberships from Medicine

By: Amanda Harris, MEd

Exercise is Medicine. Chances are you've not only heard about the joint initiative by the AMA and ACSM, but you believe in it. You feel it's about time that we, in the health and fitness club industry, teamed up with the medical community to spread the word and help people become more active. So, why is it not helping you sell more memberships?

Creating a steady stream of medical referrals is not as easy as it sounds. First, consider the patients who would be referred. They are not typical of folks who would join a health club. In many cases, they suffer from one or more chronic diseases or conditions that are lifestyle related. That is, they are perfect candidates for referral, precisely because they have *not* been exercising regularly and eating right. Whatever marketing your club does to attract these people

is just not enough to overcome the inertia of inactivity; however, there is hope. American Sports Data statistics indicate that 63% of the American population knows exercise is good for them but don't do it for various reasons. In many cases, all they need is a little push --the *right* push-- one from their doctor.

As patients ourselves, we know how seriously people take a doctor's recommendation. The challenge for clubs has been that physicians are reluctant to refer patients to club memberships. Memberships are expensive, and in most cases, they require a year-long commitment. Physicians don't want to refer patients to such an expensive "treatment option," especially when they know money is tight. They worry that patients will be ignored in a big facility and could get injured attempting to exercise without instruction. Further, many physicians would feel responsible for telling their patients how to

exercise once they have joined the club. This brings up another challenge. Most physicians will tell you that they had less than one week of exercise physiology in Medical School. That means that they tend to fall into two camps: those who recommend exercise with no specifics because they aren't sure how to truly prescribe exercise and those who prescribe their own exercise routine, based solely on their personal experience.

Obviously, neither situation is ideal. The first could be likened to a physician telling a patient, "take some pills and you'll feel better." That begs the questions, "which pills," "how many pills," "how often," and "for how long?" Given this situation, some patients will shut down and do nothing; others will take too many and experience nasty side effects. Does this sound familiar?

The second type of physician, who gives the recommendation based on his own

experience, could be likened to a doctor who believes that since he does well on his dosage and brand of blood pressure medication, so would all patients with high blood pressure. Clearly, no physician would dream of prescribing medication this way. So, why do we put them in this position with regard to prescribing exercise?

The solution to this "disconnect" is in your ability to implement a simple, straightforward introductory exercise program, one that would take the guesswork out of the exercise prescription for the physician. In order to win with medical referrals, you will need to consider several factors in creating such a program:

1. Cost - Especially in today's economy, people are slow to part with their money, particularly if they are not sure whether such a program will work for them. Your best bet is to minimize cost by making the program short-



Amanda Harris, MEd

term (60-90 days), keeping staff-participant ratios around 1:3 or 4 and running instructional sessions only 2-3 times per week.

2. Time - Like cost, people who are not automatically "sold" on regular exercise are not likely to want to workout for a full hour, at least in the beginning. Short sessions are key to getting this (See Amanda Harris Page 24)

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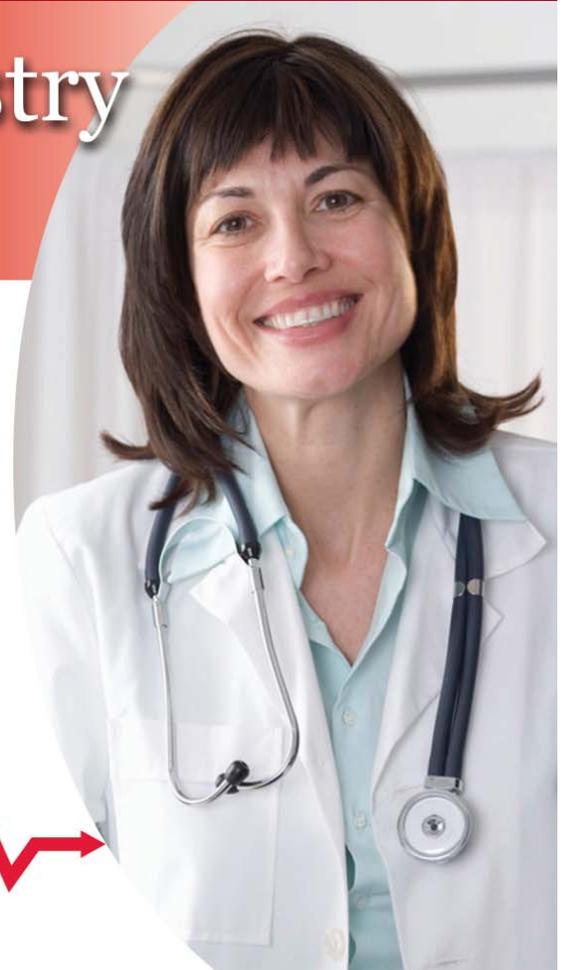
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...Casey Conrad

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list of items without any brow raises. It all seems like pretty basic stuff, right? Guess what... It is. As I sit, putting the finishing touches on this article, I can't help but reflect back on what Mark Mastrov, Founder of 24 Hour Fitness, stated in his keynote address last week at the Club Industry Show. Here you have a guy that founded, built and grew one of the largest club chains in the world; he's worth millions. In his session, which focused on the topic of growing your business in difficult economic times, he said, "Nothing in this business is difficult, nothing is new; it's all about execution." He then went through a checklist of things that club operators must be executing well in order to survive and thrive in our business. Many of the things he said are in perfect alignment with things that I observed.

So, go back through the

list of observations and now ask yourself the difficult questions:

- How have you cut expenses during this tough economy? Did you do it in a way that didn't impact the member's experience? Do you need to go back and reevaluate your decisions?
- Regardless of what price range your club fits into, do you know what your points of differentiation are in your marketplace? Does your staff know these, and can they clearly articulate those differences to members and prospects? Do your marketing materials reflect and convey these differences? Or, are you stuck in the "murky middle" and find yourself contemplating lowering your price or converting to a low-cost model because you can't seem to compete?
- If frustrated with marketing, have you at least been tracking all of your efforts so you are

making educated, well-informed decisions on bigger expenditures? For example, if a consultant came into your club, could you produce a complete 12-month marketing plan (The past 12 months and the next 12 months)? Have you vigorously tracked every single marketing effort, are you able to provide copies of each, details of how many people the piece went out to, response rates and accurate lead acquisition cost and customer acquisition cost numbers?

- Is your club systematically pursuing guerrilla marketing and business-to-business marketing opportunities? In his keynote, Mastrov recalled how, when visiting one of his locations, he would take the manager out to lunch and tell him to drive three miles in any direction. Upon reaching the mile marker, they would find a place to have lunch, and he would inquire of the restaurant's manager, "Do

you know of our club? Has anyone ever been in here to talk to you?" He said, from a guerrilla marketing perspective, "You should own a 3-mile radius around your club."

If any of these questions identify areas of your club operation that can be improved, then you've got at least some things to go work on. I'm sorry that these items are not exploding "Wow's," but I would bet that if most clubs looked close enough, there is room for improvement in almost every area of operations. If nothing from this list jumped out, then you can look forward to Part II of this article in next month's edition of **CLUB INSIDER**, where I'll outline program marketing and personal training insights that I discovered.

Let me end this article by making a personal/business observation. On my trip, I really discovered how overcomplicated we sometimes make our lives. I

lived very simply for six weeks, and it was wonderful. No social pressures, no television, often no Internet service. Upon reflection, I believe that, like our personal lives, our businesses can easily get overcomplicated. In the quest to find that "one" thing that will somehow miraculously help our business, we overlook the basics, the simple things. They seem so obvious and are so mundane that we don't step back to realize how much better we could be executing.

This trip has made me recommit to the basics. De-clutter in life and in business. Do fewer things, but do them really well. I guess sometimes we have to get above all the congestion and traffic in order to identify the best, most efficient route!

(Casey Conrad is the Founder of Communications Consultants and the Take It Off Weight Loss Program. Casey may be reached at takeitoffweightloss@yahoo.com)

...Amanda Harris

continued from page 22

group to enjoy their new habit.

3. Staff it with your best - Those who run your medical referral program should possess outgoing, positive and encouraging personalities, folks that love helping people and have great credentials. When working with a less-than-healthy population, it pays to have exercise physiologists and people with advanced certifications to ensure member safety.

4. Emphasize success - Although it will be important to take measurements to show clinical outcomes before and after the program, the greatest measure of success will be in participants' commitment to exercise after they graduate from the program. Obviously, you'll want them to continue exercising at your club, but the program can be deemed successful as long as they continue to exercise. For this reason, it will be important that participants are encouraged to exercise within their comfort zone with lots of support. The emphasis must be on forming a habit before all else.

5. Keep the physician in the loop - To keep a healthy medical referral program going, it's important to let physicians know how their patients are doing.

This not only keeps the physician involved in their patients' care, but it keeps your program and your club front-of-mind for them.

If this plan seems rather involved, that is because it is. The goal is to create a program that doctors can prescribe as easily as they prescribe a medication. The difference is that your staff is responsible for determining the dosage, frequency and type of exercise most appropriate for the participant. The program has to be solid enough that physicians don't fear for their patients' safety. They must know patients are getting qualified, competent instruction in a positive, safe environment. They need to feel confident that their patients will not be hard-sold into a membership that they won't use, but will instead, be given every opportunity to create new, healthier habits in a supportive environment.

How does this factor into selling more memberships? The great experience that patients enjoy in the program must not be limited to interactions with the team that runs the program. The sales team must get to know these folks from the time they first walk in the door. They have to work to build a relationship with program participants throughout their experience at the club and collaborate with program staff to understand how participants are doing and what concerns they may have about committing to

a membership. Done well, you may enjoy conversion rates of 40% or more. Just think, if you had just 25 people per month entering this program, you could increase your membership sales by 120 members per year! If you charge roughly \$1,000 per year for a membership, you have just increased your yearly sales by \$120,000 through medical referrals alone!

For real-life facts and figures on medical referrals, consider the following:

The **Atlantic Coast Athletic Clubs (ACAC)** has enrolled over 6,000 people into its medical referral program, **PREP**, since 2004. With a conversion rate averaging 40%, it has added over 2,400 of those participants to its member base. The **Maryland Athletic Club and Wellness Centers**, in Timonium, MD, have enrolled over 1,350 people into Healthy Start, a medical referral program they started in 2006. Their conversion rate has averaged 49%, adding an extra 662 members to their ranks since 2006. The **Dedham Health and Athletic Complex**, in Dedham, MA, has enrolled over 2,000 people into their 60/60 program since 2006, and an average conversion rate of 38% has given them an additional 760 members over the past two years.

Medical referrals are a huge opportunity just waiting to

be tapped in your community. The best part is that it can add significantly to your bottom line while helping hundreds of people in your community become healthier and more fit. 63% of your community is waiting to join your club. Physicians want to refer but are not sure how to make it work for their patients. You have the space, the staff, and now, a plan. There has never been a better time to partner with

physicians and help Americans find their fitness habit!

(Amanda Harris is Vice President of Fitness & Wellness Services for Atlantic Coast Athletic Clubs (ACAC) in Charlottesville and Richmond, Virginia and in West Chester, Pennsylvania. Contact Amanda at amandah@acac.com to learn how to install the P.R.E.P. Program in your club)

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Environmental Psychology: *The Powerful New Competitive Advantage for Clubs*

By: Bruce Carter

Take off your shoes. Now, imagine putting on the shoes of someone who is inactive, out of shape and overweight. You are not at all pleased with how you look, constantly thinking you have to do something, especially every time you eat something you should not have.

So, the thought of joining a health club every so often runs through your mind, but what holds you back? What is it about clubs that makes it so distasteful to the vast majority of people? It surely cannot be a lack of need because approximately 65% of the population is inactive and overweight.

The answer is in the basic, yet widely accepted pain and pleasure principle. People do that which brings pleasure and avoid that which is painful. So, what is the pain (or discomfort) associated with exercise? There are two main parts to it. The first is physical pain, which is sorely amplified when an inactive person tries to get active again. The other can be just as bothersome (with just a strong desire to avoid), and that is the emotional discomfort; embarrassment, awkwardness, guilt, disdain for those who are fit and the unhappiness of parting with money, especially if the person feels they are "wasting" it on a membership they are not getting results with or not using.

So what can clubs do? Fortunately, the desire to look and feel good is very strong. Quite simply, clubs sell that which the

majority people hate to do. Even when people say they like to exercise, deep down they don't like it, and don't do it.

If a club is selling an undesirable product/service (as clearly evidenced by only a 14% market penetration rate), then there has got to be some missing link that can get people past their dislike of the product and achieve what they truly want, a better life through fitness. The fitness industry needs to fully grasp and utilize what other industries have learned. The environment that people shop or participate in has a lot to do with how they behave in that environment, and for clubs, "behave in that environment" means people joining and staying as members.

Environmental psychology has been a standard in most industries that deal with the public. Retail, restaurants, hospitality, gaming and others have used this extra ingredient to help maximize sales. Yet, health clubs can benefit far more than any of these other industries by creating environments that motivate people to act in a certain way. Think about it. People already love to eat. Yet, that industry is always working to create the next optimal place to eat. Just look at the beautiful newly renovated McDonald's chain, clearly resulting in sales increases, and one can see the powerful value of environmental psychology.

It is absolutely fascinating that health clubs sell a product that most people hate yet have been so far behind in

accepting the need for always addressing the environmental aspects of their businesses.

Therefore, it is quite clear that the future of the fitness industry will see dramatic changes in the environments that they provide to the marketplace. In turn, this will result in far greater market penetration numbers, or in other words, getting more and more of the deconditioned market to join.

What should a club do to achieve such a motivating environment?

The first step is to accept that environmental psychology should be considered one of the strongest marketing strengths for a club, even equal in value to advertising. When you spend on your environment, you are spending on marketing. Think about having an environment that is so exciting, fun and stimulating that people actually "love" being there. This they will tell their friends.

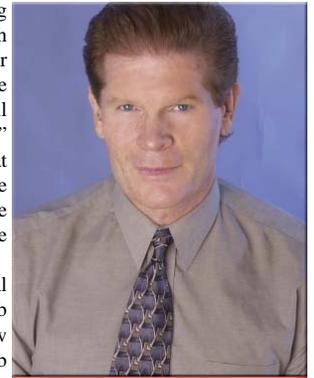
Next, anything that people see has to be thought out knowing that image always counts. No more choosing black upholstery just because it is the easiest and most "logical" choice. If many clubs were people, they would go out in the morning with one brown shoe, one black, socks that don't match and a red shirt with blue plaid pants.

Now consider the process of utilizing a wide variety of colors, lighting, shapes, finishes, materials and furnishings combining together to create an inviting and memorable experience. This

is best achieved through utilizing a professional who deals in such variables. However, remember that clubs are selling positive energy and function. Not all design professionals "get this" and may create environments that are architecturally provocative yet ineffective in achieving the desired results of getting people to join and keep coming.

A major architectural magazine ran pictures of a club in New York City, indicating how absolutely different this new club was. A lot of grey concrete was not so good for fun and energy. Then, in front of the dumbbell racks were multiple-sized, individually-framed mirrors so that, when you were doing a curl, you would see your body broken up into about a dozen different pieces.

It has been said that the health club industry is over built. At approximately 41 million members, there remains another 200 million that "need" the product. So, a different way to look at this is that the industry is overbuilt with clubs that don't attract the substantial "untapped" market because they provide an environment that does nothing to motivate people to want to exercise. These clubs will increasingly fall to the wayside and be replaced with beautifully stimulating environments that people can't



Bruce Carter

refuse. There is not a single industry that can benefit more by environmental psychology than that of the fitness industry.

(Bruce Carter is the founder of Optimal Fitness and Optimal Design. The companies have been involved in the start-up and design of over \$600 million dollars worth of facilities in 45 states and 26 countries. Optimal Design is known for "profit designing" with the ability to create beautiful and exciting award winning facilities that increase sales and retention, yet are inexpensive to build. Many of our clients are some of the most profitable clubs in the country. Bruce can be reached by email at bruce@optimaldsi.com or phone at (O) 954-888-5960 and (C) 954-336-3569)

**View Bruce's Author Profile at
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Aquatics Magazine Honors Standout Aquatics Facilities *LifeCenter Plus Garners "Best of Aquatics" for 3rd Straight Year*

LOS ANGELES, CA - September 14, 2009 - *Aquatics International* magazine is honoring eleven world-class public aquatics facilities this November in its eleventh annual Best of Aquatics issue. Each year, the contest celebrates outstanding facilities of all varieties, including government, nonprofit and privately-owned operations.

This year's winners are:

- Chaos Waterpark Resort - Eau Claire, WI
- CISD Natatorium - Shenandoah, TX

- Cypress Cove Family Aquatic Park - Woodridge, IL
- Hershey Park - Hershey, PA
- In Motion Fitness - Chico, CA
- LifeCenter Plus - Hudson, OH
- Naval Base Ventura County Moral Welfare Recreation - Port Hueneme, CA
- Palm Beach Gardens Aquatic Complex - Palm Beach Gardens, FL
- SouthWest Aquatics - Winter Garden, FL
- The Keller Pointe - Keller, TX.

All winners will be featured in a special Best

of Aquatics supplement to the November/December issue of the magazine. All entries were judged by an independent panel of five industry experts. Judges considered factors including programming, promotional materials, aquatic amenities and community involvement.

"The awards are that much more special because they are judged by a panel of peers," said *Aquatics International* Editor Gary Thill. "Competition for these awards is fierce so these facilities really are the best of the best."



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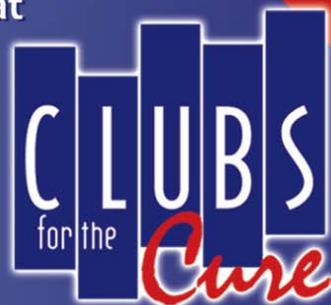
For the health of our nation, we need to get more people, more active, more often. The **12 Days of Fitness for Augie's Quest** program is a global grassroots campaign that demonstrates the Health and Fitness industry's commitment to helping all people become more fit while lending a hand with important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

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



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

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



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Programming Tip of the Month:

The Ultimate Promotion - A Party!!!

By: Sandy Coffman

The ultimate party season is upon us; Halloween, Thanksgiving, Christmas, New Year's and the Super Bowl, so why not get ready to capitalize on beginning and ending your programs with parties that result in fun, fitness and financial success. Yeah, that's what I'm talkin' about, parties that result in growth and retention for your business... programming for profit.

There is an entire chapter (Part 1, Chapter 4) designated to creative, professional and effective promotions in my book, *Successful Programs For Fitness and Health Clubs: 101 Profitable Ideas*, but let's just focus on a few points to consider when throwing a promotional party at your club. Keep in mind, there are many reasons to throw

a party during the year and many different types of parties but these upcoming holidays are a must. Don't waste the opportunity.

A few basic elements of a successful club party will spark conversation and excitement. Begin with pictures, decorations and promotions on bulletin boards and fliers *throughout the club* two to three weeks prior to the event. During the week of Halloween, the club decorations should be kicked up a notch. The entire staff should wear costumes, wigs or crazy glasses. It will surely get a laugh from everyone who comes into the club. It will be talked about constantly --in and out of the club-- and I'll guarantee that your members will pick up on the fun and come in costumes as well. Remember, word of mouth brings in 60% - 80% of your new membership business.

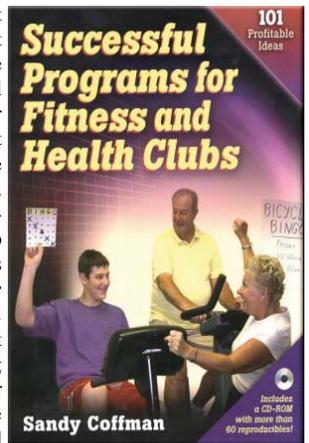
The key to a successful party at your club is taking the opportunity to give out awards and prizes. Giving recognition to your members for individual achievements is a sure way to increase attendance at the next event, but there is a secret to making the recognition program a success. *Give out as many awards as possible*; best attendance, most improved, most persistent, most determined, best attitude. Halloween is a cinch; the best, worst, funniest and scariest costume. This can even be accomplished with something as small as ribbons with sayings on them. Ribbons are also tangible, so they can be taken out of the club and the compliment will be remembered for a long time, probably talked about with other people.

Take their pictures and put them on the bulletin board! Recognition is fun for everyone because everyone takes part whether they are receiving the award or applauding for someone else. Get the pictures up immediately. Keep them up for at

least three to four weeks, and put them up again next year at least three to four weeks before the party. Parties should be annual events and promoted as such. Your members will look forward to it and plan for it every year. Yes, the goal of programming is retention.

Parties are great occasions for programmers to sign up members for other club activities or events. *You are using one program to promote another.* The program director is the host or hostess of every party, making sure that it will be a success for the business as well as for the member. Members get involved and stay involved through social events like parties, and members don't quit your club if they are having fun and making friends. Throw a party! It's the ultimate promotion to Make it FUN!

(Sandy Coffman is the "Dean of



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

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All who have advertised, purchased subscriptions, pitched in as Contributing Authors and read CLUB INSIDER! We are now in our 17th year of publication! All of you are on the "Team" that makes this publication, and we will be grateful to you forever. I appreciate and LOVE 'Ya!

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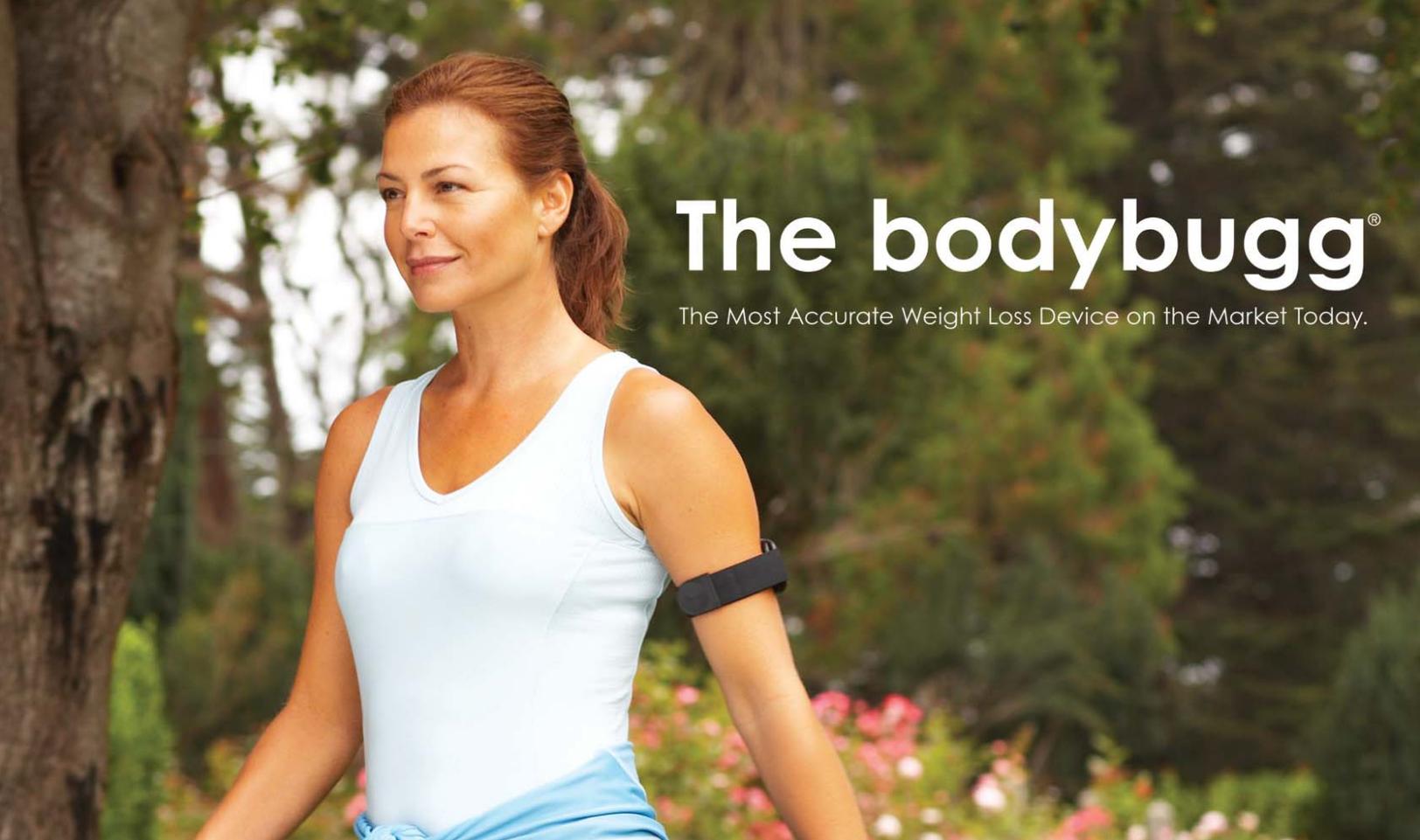
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