

# Norm Cates' **CLUB INSIDER**<sup>TM</sup>

**The Pulse of the Health and Fitness Club Industry**

**Medical Fitness Association Provides Portal to the Future**

*20th Anniversary Celebrated With New Leadership Lead By Ken Germano*



**MEDICAL  
FITNESS  
ASSOCIATION**

---

## **OCTOBER 2011**

Read This Month's Edition and Archive Editions Online at:

**[www.clubinsideronline.com](http://www.clubinsideronline.com)**

PRSR STD  
U.S. Postage Paid  
PERMIT #3592  
ATLANTA, GA



# Want to own a successful business?

**Median Annual Membership Revenue:  
\$1.7 million (Industry Avg: \$1.3 million)**

**Median Earnings Before Taxes:  
\$546,000 (Industry Avg: \$320,000)**

**Median Payroll Expense Percentage:  
12.3% (Industry Avg: 45%)**

America's fastest growing fitness franchise, with more than 700 units sold, invites you to begin your journey towards success and profitability. For information visit [www.planetfitness.com](http://www.planetfitness.com) or contact Mark Christie at [mark.christie@planetfitness.com](mailto:mark.christie@planetfitness.com) or 603-750-0001, ext 104.

\*Figures obtained from the median performing corporate store with more than 12 months of operating activity as published in Item 19 of our 2009 Franchise Disclosure Document (FDD), and as adjusted for audited financials completed after filing of the FDD. A new franchisee's results may differ from the represented performance. There is no assurance that you will do as well, and you must accept that risk.

# Norm Cates' CLUB INSIDER™

## The Pulse of the Health and Fitness Club Industry

### Medical Fitness Association Provides Portal to the Future *20th Anniversary Celebrated With New Leadership Lead By Ken Germano*

By: Norm Cates

Ken Germano is a great guy, and he's now the Executive Director of the Medical Fitness Association (MFA), a role for which he's perfectly suited. This cover story will share important facts from Ken about MFA that should help you realize the significant potential the medical fitness world potentially provides your club. Please do read on. You may find your portal to the future right here, and you may be surprised at how the MFA relationship might provide you with many new membership prospects, all referred by local doctors, referrals which make the membership sale more probable because your club was recommended by a *doctor*.

Ken Germano started his involvement in the health and fitness industry in the early 1980s when he

joined Cybex in its early days. Prior to arrival of Cybex' Eagle Systems, the only selectorized equipment manufacturers at the time were Nautilus, Universal and Keiser. Now, there are about 40 brands. So, to say Ken is one of the true pioneers in our industry would be accurate.

Ken was elected to the Board of Directors of the American Council On Exercise (ACE) in 1996. In 1999, he was chosen to be the Executive Director of ACE and then named its first President in 2001. Several years earlier, he worked on founding and creating the non-profit *Operation Fit Kids*, a movement to advance the involvement of kids in *regular exercise*. That experience prepared him well for what was to come as ACE's Executive Director and now as Executive Director of the MFA, a position he's held (See *Medical Fitness* Page 12)



(L to R) LaNiece Holland, Data Management Specialist; Rebecca Nordan, Operations Director; Stephanie Marquart, Member Experience Coordinator; and Ken Germano (standing).

### Planet Fitness to Sponsor *The Biggest Loser*

**NEWINGTON, N.H.** - *The Biggest Loser* reality television show features obese contestants and their weight loss efforts over several months, with the winner walking away with \$250,000. Season 12 of the show will air at 8PM on Tuesday nights on NBC network stations. During its first seven years, *The Biggest Loser* averaged more than 5 million viewers per week.

Michael Grondahl, Planet Fitness Founder and Chairman, commented, "The decision to partner with a national TV show like *The Biggest Loser* is an indication of how far Planet Fitness has come. A year ago, we didn't have enough money to do something on this scale, but today, with almost 500 clubs contributing to our national ad fund, this kind of partnership makes sense for us."

In January, 2012, Planet Fitness' advertising, logos and branded equipment

will begin to appear on the show and Planet Fitness ads will appear during *The Biggest Loser* shows and other NBC primetime programming from January through May of 2012.

Planet Fitness' entry into this sponsorship follows a very successful sponsorship run by another industry giant, San Ramon, California-based 24 Hour Fitness.

Michael Grondahl has been busy in October as he also appeared on a panel at the Club Industry Conference in Chicago with industry veterans addressing the topic of *What's going on in the club industry?* The panel was assembled and moderated by Michael Scott Scudder and also included Bryan O'Rourke of FitMarc; Bill Rodriguez, Vice President Marketing for Snap Fitness; and Robert Dyer, President of FitMarc.

### Red Lerille Honored

**CHICAGO, IL** - Red Lerille is a true legend in the club business. His story is an amazing one of a can-do guy achieving goals he's set by posting a picture on the wall where he works. Red Lerille wanted to be Mr. America, so he put a picture of the Mr. America at the time on the wall. He showed up on time, ready to work and became Mr. America in 1960.

Red Lerille wanted to own a gym. He put a picture of a gym on the wall, and he showed up on time, ready to work and opened a 4,000 square-foot gym on January 13, 1963. Red wanted his gym to be better and better, so he vowed to make at least one improvement to Red's every month. He's done that every month for almost 49 years. He put a picture on the wall for every improvement he envisioned. Now, Red's small gym is over 200,000 square feet on 22 acres, has several outdoor pools and 20 tennis courts, not to mention close



Red Lerille Honored With Club Industry's Lifetime Achievement Award

to 500 parking spaces that begin to fill up at 4AM every morning when Red opens his gym. Yes, Red *personally* opens his gym (See *Red Lerille* Page 6)

### Inside The Insider

- The Number ONE Reason Your Members Are Not Getting Results - **By:** Donna Krech
- Improving Your Disaster Personality - **By:** Will Phillips
- Give Back and Get Ready! - **By:** Chris Russo
- Does a "Green" Design Equal More Profits? - **By:** Bruce Carter
- Listen To My Ideas! - **By:** Misti Burmeister
- Try Something Different - **By:** Sandy Coffman
- Health and Fitness Industry Urges the Signing of the CEO Pledge
- Industry Veterans Align to Form Instant Force in Fitness: FIT Brands

- IHRSA Applauds Introduction of WHIP Act
- Crunch Fitness Inks Deal to Open 30 Franchises in New Jersey
- NBC's *The Biggest Loser* Kicks Off Another Season With Iron Grip Free Weights
- XSport Fitness Continues Its Rapid Growth Throughout Chicago, New York and Washington D.C.
- Tony Torre Hired as National Sales Director of Visual Fitness Planner
- New Affordable Care Act Initiative Helps Create Healthier Communities, Fight Chronic Disease
- Life Fitness and The American Council On Exercise Name America's Top Personal Trainer To Watch
- Club Industry's 2011 Best of the Best Award Winners

# Norm's Notes

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

•**Is America a Great Country** or what!? Mmm... Mmm... Mmm...

•**Planet Fitness** has announced that it will become one of the advertisers for **The Biggest Loser TV Show**. Check out the **Story** on **Page #3**.

•**Now hear this!** The very **idea** that our industry **needs** to be *viewed by the public as ethical, legitimate, honest and trustworthy* to do business with is *not a new idea*. Next month, **CLUB INSIDER** will celebrate its **19th Anniversary** of publication. During our founding process, and ever since, this *very idea* has been a driving force for the creation and existence of our publication for every one of our 214 monthly editions. When all is said and done, if you're a club owner/operator in our industry that's repeatedly being cited by the **Better Business Bureau** or investigated and/or prosecuted by the **Attorney General** in your state or sued and taken to court by your customers, competitors or employees, then you're one of the *primary reasons this publication exists*. You're also one of the primary reasons that our industry's percentage of membership penetration in the United States is still *only about 16% at just over 50 million members!*

Our **Mission** at **CLUB INSIDER** has always been, and will continue to be, to stand up for this entire industry to *stop* any and all crooks and unethical operators that we learn about. Can I be **MORE** clear? I might add that both you and your competitors in your market know if you're one of these down and dirty industry reputation damagers. So, if you're described here, I'd like to, once more, *say to you very directly* that, if you can't be *ethical, honest, legitimate and trustworthy* in your business dealings with your consumers and employees, please get out of our industry so the damage you do will stop with the damage you've already done. If you're a crook, get out and go damage some other industry. Even if you're a "Shady" guy who keeps avoiding prosecution in one area of the country by behaving badly, illegally and unethically and then moves on, we'll all be thankful for your departure from our industry.

Bottom line here is our industry is chock full of absolutely great *ethical, honest, legitimate and trustworthy folks*, and all of you deserve much better than having whatever new membership business potential your club does have slowed down or diminished in your market by a crook or a shady man or woman, or both, whom consumers cannot and do not trust getting bad TV, press and online coverage for their illegal or unethical activities. Trust me when I say that consumers put ALL of us in

the same basket when they see a negative, expose-type TV clip or a newspaper article about something illegal or unethical going on in our industry in their community. I am here for all of you *great, ethical, honest, legitimate and trustworthy* folks because I know you're that terrific 99.98% of the people who work in our industry, treat the public honestly and fairly, and we are being pulled down by that other .01% to .02% of those in our industry who just don't seem to get it. Do not forget that we are all in this together. **Stay tuned!**

•**Big news in the industry convention realm.** I just got back from **Chicago** where I attended what most likely will be the last ever **Club Industry Conference and Trade Show in the Windy City of Chicago**. This event was, in my opinion, the most well developed and put together event the Club Industry folks have ever had, but I think that Chicago misses the mark as far as a convention site goes. The big convention news is that the Club Industry folks have announced that they're packing up and moving the event to **Las Vegas** at the **Las Vegas Convention Center** for the **Fall 2012 Show and beyond**. I wish the Club Industry folks the very best with this move, and I'll strongly support their efforts to generate great attendance for their Conference and Trade Show effort in Las Vegas. The first Club Industry Las Vegas Show will be a very special event for the **Penton Media Company**, the parent company of Club Industry, and you and I all need to plan on supporting it next Fall.



Norm Cates

In my view, **Club Industry Magazine** has improved **200%** since about 7 or 8 years ago when the lovely **PAMELA KUF AHL** took over as the **Editor** and added a really great writer, **STUART GOLDMAN**, formerly a sports writer. Moreover, I think that as **Publisher, MARTY McCALLEN**, has done a great job driving the Club Industry's thrusts with not just a better magazine but with terrific cyber coverage in the **Club Industry Newsbeat e-blasts**. Moreover, I think that Club Industry has done a terrific job with the conference seminar content and the agenda is now worthy of a **NATIONAL** audience, not the regional audience that all Club Industry Shows have drawn over the years in Chicago. I think that their move to Las Vegas will help them do that.

(See Norm's Notes Page 7)

## About Club Insider

# Established in 1993

## 18 Years and Counting!

**CLUB INSIDER** is published by Cates Media, LLC. in Marietta, Georgia. Those wishing to reproduce any portion of this publication may do so, provided it is not for resale in other publications. Reprints for commercial use are available for a fee by request.

**PUBLISHER and EDITOR** - Norm Cates, Jr.  
**PRESIDENT and ASSISTANT PUBLISHER** - Justin Cates

**PRINTING and MAILING SERVICES** - Walton Press  
[www.waltonpress.com](http://www.waltonpress.com)

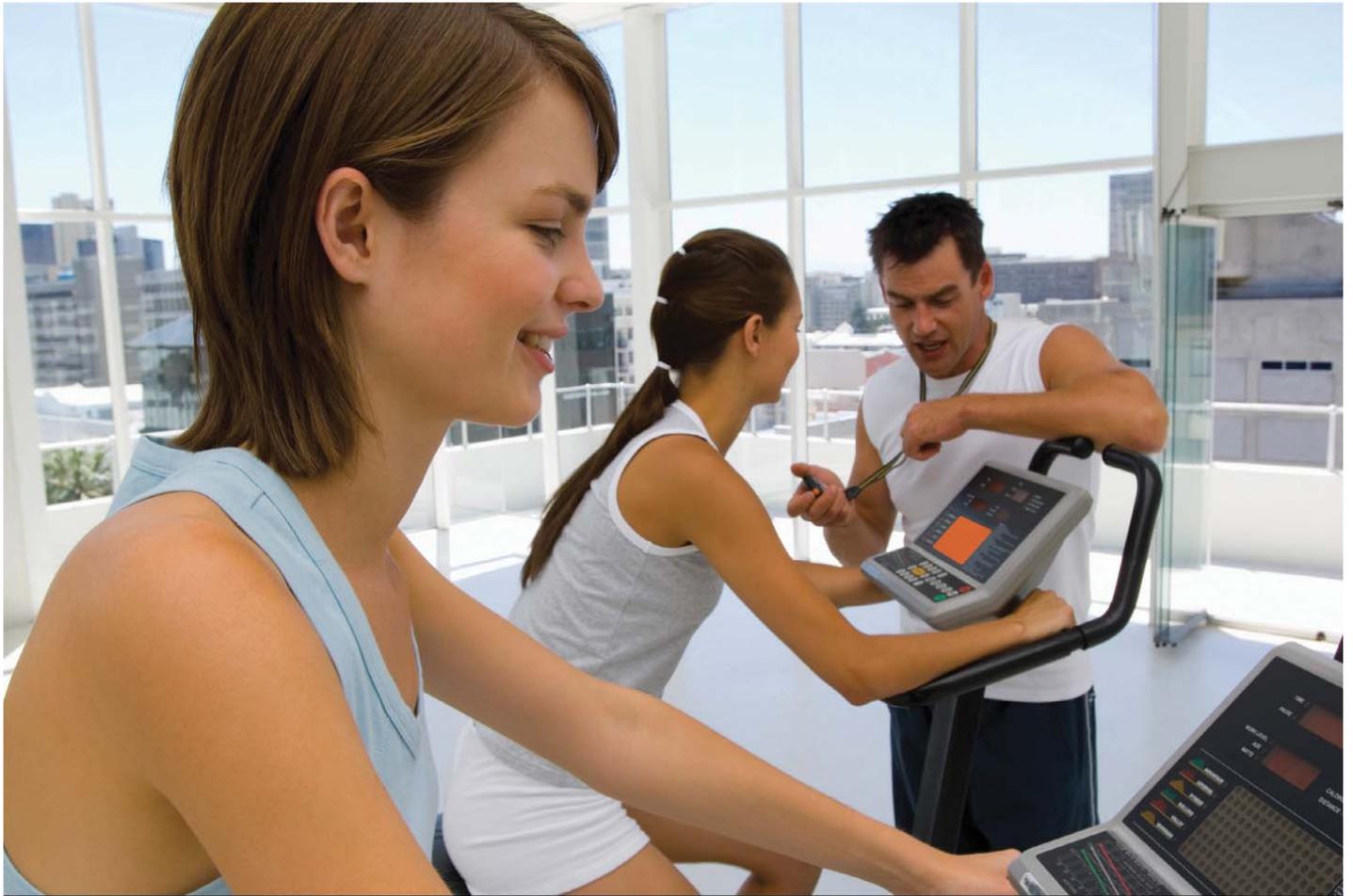
**CLUB INSIDER**  
 P.O. Box 681241  
 Marietta, GA 30068  
 (O): (770) 850 - 8506  
 (F): (770) 933 - 9698

[www.clubinsideronline.com](http://www.clubinsideronline.com)

**Edition #214**

## Thank You to Our Contributing Authors

- **Rick Caro** - President, Management Vision, Inc. - (212) 987 - 4300
- **John McCarthy** - 25-Year Executive Director of IHRSA
- **Bonnie Patrick Mattalian** - The Club and Spa Synergy Group - (732) 236 - 2273
- **Bonnie Pfister** - Co-owner, Longevity Fitness - [longevityclubs@bellsouth.net](mailto:longevityclubs@bellsouth.net)
- **Bruce Carter** - President, Optimal Design Systems International - (954) 385 - 9963
- **Casey Conrad** - Communications Consultants - (800) 725 - 6147
- **Chris Russo** - Vice President, Susan K. Bailey Advertising - [crusso@clubads.com](mailto:crusso@clubads.com)
- **Derek Barton** - Owner, Barton Productions - [derek@bartonproductions.com](mailto:derek@bartonproductions.com)
- **Donna Krech** - Founder and President, Thin & Healthy's Total Solutions - (419) 991 - 1223
- **Dr. Cary Wing** - Director of Medical Fitness Business Development, Fitmarc - [carywing@aol.com](mailto:carywing@aol.com)
- **Greg Maurer** - New Paradigm Partners - [gmaurer@newparadigmpartners.com](mailto:gmaurer@newparadigmpartners.com)
- **Jeffrey Keller** - President, Independent Health Club Networking Association - [Jeffrey\\_Keller@msn.com](mailto:Jeffrey_Keller@msn.com)
- **Jim Thomas** - President, Fitness Management USA - (800) 929 - 2898
- **Karen Woodard-Chavez** - President, Premium Performance Training - [Karen@karenwoodard.com](mailto:Karen@karenwoodard.com)
- **Laurie Cingle** - President, Laurie Cingle Consulting and Coaching - [laurie@lauriecingle.com](mailto:laurie@lauriecingle.com)
- **Maria Parella-Turco** - COO, fitRewards! - [map@newparadigmpartners.com](mailto:map@newparadigmpartners.com)
- **Michael Grondahl** - Founder and CEO of Planet Fitness
- **Ron Alterio** - Northeast Regional Director of Sales, Visual Fitness Planner - [ron@myvfp.com](mailto:ron@myvfp.com)
- **Sandy Coffman** - President, Programming for Profit - [SLCoffman@aol.com](mailto:SLCoffman@aol.com)
- **Steve Ayers** - Vice President of Sales and Marketing, ABC Financial - [steve.ayers@abcfincial.com](mailto:steve.ayers@abcfincial.com)
- **Thomas Plummer** - National Fitness Business Alliance - (800) 726 - 3506
- **Will Phillips** - Roundtables for Executives - [Will@REXRoundtables.com](mailto:Will@REXRoundtables.com)



**You focus on your member's goals – we'll focus on yours.** Fiserv helps clubs of all sizes grow and retain their member base while reducing overhead costs. Leveraging industry-leading security and reliability, our solutions allow you to focus on your members while collecting more revenue. This fully-integrated approach includes comprehensive club management software, integrated EFT, POS payment processing and full-service billing. With Fiserv, you have the unrivaled power to perform. The power within. [www.clubs.fiserv.com](http://www.clubs.fiserv.com)

Club Solutions from **fiserv.**

Payments · Processing Services · Risk & Compliance · Customer & Channel Management · Insights & Optimization

© 2011 Fiserv, Inc. or its affiliates.

## Health and Fitness Industry Urges C-Suite Executives to Lead America to Wellness by Taking Landmark CEO Pledge

**BOSTON, MA** - The International Health, Racquet & Sportsclub Association (IHRSA) is urging America's business leaders to become personally involved in leading the United States to wellness by taking the CEO Pledge, a key component of the United State's first-ever National Physical Activity Plan. The Plan is a comprehensive set of policies, programs, and initiatives aimed at increasing physical activity in all segments of the American population with the ultimate purpose of improving health, preventing disease and disability and enhancing quality of life. Chief Executive Officers who take the pledge vow to improve employee health and wellness by producing opportunities and resources for physical activity before, during or after the workday.

The CEO Pledge was unveiled last week at the HERO Forum, the annual conference of the Health Enhancement Research Organization, by Dave Pickering, a strategy leader for the Plan and CEO of Preventure.

"The CEO Pledge makes clear that business leaders have an influential role to play in addressing our country's health and health care crises," said Joe Moore, President and CEO of IHRSA. "With most working adults spending roughly half their waking hours on the job on the days that they work, it is incumbent upon business and industry leaders to become part of the solution. By promoting physical activity and healthy lifestyles within the workplace, CEOs help their company's bottom line, but they also help society."

The CEO Pledge is being launched at an extremely significant time, just as world leaders are gathering in New York for the high-level meeting of the United Nations (UN) General Assembly on the Prevention and Control of Non-communicable Diseases. According to the UN, the four main non-communicable diseases (NCD), cardiovascular disease, cancer, chronic lung diseases and diabetes, kill three in five people worldwide and cause great socioeconomic harm. This is only the second time in the history of the UN that the General Assembly has met on a health issue. The last issue was AIDS.

In today's largely sedentary work environments, these NCDs, or chronic diseases, are plaguing America's workforce, driving up the cost of healthcare and causing U.S. businesses to suffer considerable financial losses due to lost productivity resulting from absenteeism, disability and presenteeism (being sick at work). Yet, many of these NCDs can be prevented, mitigated and/or managed with regular exercise, proper diet and healthy lifestyle behaviors.

Researchers have documented anywhere from \$1.49 to \$13 return for every dollar invested in employee wellness. Studies show that employees who exercise at least once a week, regardless of their weight, have lower health care costs than their sedentary co-workers. One study, in fact, showed that active employees take 27 percent fewer sick days and report 14 to 25 percent fewer disability days than inactive employees. What's more, workplace wellness programs help attract and retain talented employees.

For more information about the CEO Pledge and to find out how to get your company involved, please contact the Plan's Business and Industry Sector Co-Leader, Tom Richards at [tgr@ihrsa.org](mailto:tgr@ihrsa.org). For ideas on ways to introduce exercise into the workplace, businesses can visit the Centers for Disease Control and Prevention, the "Healthier Worksite Initiative" page, at <http://1.usa.gov/mVd1qi>.

### Text of the CEO Pledge

"For the betterment of my company, our employees, their families and our country, I pledge to improve employee health and wellness by providing opportunities and resources for physical activity before, during or after the workday."

### Primary Prevention and the Benefits of Regular Exercise

IHRSA has long been a proponent of primary prevention for a healthier, more prosperous America.

Primary prevention refers to the deterrence of disease before it occurs by engaging in beneficial lifestyle behaviors, such as regular exercise, healthy eating, avoidance of tobacco and other controlled substances, stress management and routine medical exams.

Since the late 1980s, roughly two-thirds of the increase in health care spending in the United States has been due to the increased prevalence of treated chronic disease, according to the Partnership to Fight Chronic Disease. Today, about half of all Americans suffer from one or more chronic diseases. Yet, according to the Centers for Disease Control and Prevention (CDC), chronic diseases are largely attributable to four controllable health risk behaviors: (1) the lack of physical activity, (2) poor nutrition, (3) tobacco use and (4) excessive alcohol consumption.

The CDC estimates that 80 percent of heart disease and stroke, 80 percent of type 2 diabetes and 40 percent of cancer could be prevented if Americans stopped smoking, exercised more and started eating



more healthfully. A full \$5.6 billion in heart disease costs could be saved if 10 percent of adults began a regular walking program. And, according to a 2008 report by the Trust for America's Health, an investment of \$10 per person per year in proven community-based programs to increase physical activity, improve nutrition and prevent smoking and other tobacco use, could save the country more than \$16 billion annually within five years. The potential savings in direct medical costs if all inactive American adults engaged in regular physical activity could be as high as \$80 billion.

Research shows that physical activity is extremely important to good health. At the proper moderate intensity, regular exercise significantly improves

overall health; reduces the risk of heart disease by 40 percent; lowers the risk of stroke by 27 percent; reduces the incidence of high blood pressure by almost 50 percent; reduces the incidence of diabetes by almost 50 percent; can reduce mortality and the risk of recurrent breast cancer by almost 50 percent; can lower the risk of colon cancer by over 60 percent; can reduce the risk of developing of Alzheimer's disease by one-third; and can decrease depression as effectively as medications or behavioral therapy, according to Exercise is Medicine, a global initiative supported by the American Medical Association (AMA) and the American College of Sports Medicine (ACSM) calling on physicians to assess and review every patient's physical activity program at every visit.

## 24 Hour Fitness Named Among Top 20 Military Spouse Friendly Employers

**SAN RAMON, CA** - 24 Hour Fitness has been recognized as one of the Top 20 Military Spouse Friendly Employers of 2012 by *Military Spouse* magazine after a recent survey of more than 5,000 companies. The publication's fifth annual list showcases organizations that are most successful in hiring and recruiting the spouses of active U.S. servicemen and servicewomen.

"None of what we accomplish at 24 Hour Fitness would be possible without our diverse staff of 21,000 team members,



and we're honored to be recognized for the career opportunities we provide," said Carl Liebert, Chief Executive Officer of 24 Hour Fitness. "Military husbands and wives, including those we employ, are strong and courageous individuals. 24 Hour Fitness will always support and be thankful to our troops and their families."

### ...Red Lerille

continued from page 3

on weekday mornings at 4AM. Red wanted to be in close touch with his members, so he's never taken an office. He operates from a small space behind the pro shop desk in his club. Red now serves over 16,000 members in Lafayette, Louisiana, a town of 120,000.

Red and Emma Lerille and their

family of four children, Mark, Kaki, Tina and Stanley, all grew up in and around Red's. During their lifetimes, their Dad became what many others, believe is truly one of the best club owner/operators in the history of the health and fitness club industry. **CLUB INSIDER** congratulates Red and Emma Lerille, and all of their family and team at Red's, on Red's **Club Industry Lifetime Achievement Award**. There's not a better choice anywhere.

### ...Norm's Notes

continued from page 4

Combined, the 2012 Club Industry Conference and Trade Show, under the leadership of ADAM ANDERSON, Show Director and SAM POSA, Trade Show Sales Manager, as well as Marty, Pam and their Team was just the best overall Club Industry event ever. They plan to fully transplant that entire plan, sans the headaches of having to commute in a shuttle bus for miles to get to the conference and trade show. It was just that good.

However, once again, the exhibitors found themselves standing alone a

lot during trade show hours, especially the second day. The exhibitors were standing alone twiddling our thumbs largely, not because the 4,500 reported conference attendees were not interested in seeing our exhibits, but we were twiddling our thumbs because oftentimes during the trade show hours, almost all potential trade show attendees were attending seminars scheduled all day during the very same hours.

For years, I've watched the convention producers in our industry charging for both sides, selling exhibit space to trade shows for attendance by the same people who they know full well are attending the seminars they are scheduling

and charging them for.

If you are an exhibitor, or potential exhibitor, does this ring a bell? Repeatedly over the years, conference/trade show producers, namely IHRSA and Club Industry, have done what is comparable to "double booking" these shows so that an attendee will be in a seminar during the trade show hours, leaving us vendors standing around scratching our collective heads asking, "Where are the customers?" Folks, it just isn't right for the show producers to be selling booth space at full cost to exhibitors with the promise of great trade show attendance while at the same time selling seats to conference attendees for the very same time slots the trade show vendors are expecting to see these potential customers. Am I the only vendor in this industry to see a problem here?

If you're an exhibitor or prospective exhibitor, does it not smack you in the face that it's wrong to schedule seminars for ALL of the hours of the trade show, effectively competing with their paying vendors? It just isn't right folks. I do not care who you are in this industry, you won't convince me that this is right. There should be at least a 3-hour time slot in the afternoons, say from 2 to 5PM, when there are NO, ZERO, NADA seminars competing with the trade show. Doing so will increase customer potential from more traffic for the vendors by at least 50%, if not more. I am going to keep writing about this problem over and over and over until the convention trade show producers in our industry wake up and come to realize it's wrong to be selling trade show space for huge amounts of money to manufacturers with the promise of thousands of attendees, and then, for the same time slots, selling conference seats for the seminars so that the potential trade show attendees are sitting in a convention hall while the vendor's representatives are standing in the Trade Show Hall waiting to talk to potential customers. It's my hope that both IHRSA and Club Industry will one day see the light and give the convention vendors a break of at least 3 hours every afternoon with NO SEMINAR COMPETITION. If this does not happen, trade shows of all colors are going to lose more and more and more exhibitor/vendor support. **Stay tuned!**

•With all of the above said, on behalf of the convention exhibitors/vendors in our industry, please do mark your calendar for **March 14 - 17th, 2012** to attend **IHRSA31**, being held for the first time ever in Los Angeles at the **Los Angeles Convention Center South Hall**. If you make your living in our industry, IHRSA31 is the one single event you simply must attend if you want to advance the state of the art of your club business. For more information, go to [www.ihrsa.org](http://www.ihrsa.org). To join IHRSA, please call **(800) 228 - 4772**.

•**Congratulations** to the **ONE AND ONLY RED LERILLE** on his **Lifetime Achievement Award** received from **Club**

**Industry Magazine on October 13th in Chicago!** We love you Red and are very proud of you! It was so nice to see Red and his wonderful family at the Club Industry Show. Check out my little story about Red on **Page #3**. The next big story I will do about Red will be in January, 2013 when I plan to do another cover story on Red in honor of his 50th Anniversary at Red's (They just call his club Red's now).

•**Happy 80th Birthday** to my friend **ALAN SCHWARTZ, Founder of Tennis Corporation of America, and Father** of industry leader, **STEVEN SCHWARTZ**. Alan has personally contributed enormously to the game of tennis, and along the way, developed a great 40-year running club business, now called **Midtown Athletic Clubs**, to be among the best in America. Alan was honored by **Club Industry Magazine** a couple of years ago with its **Lifetime Achievement Award**. Again, Happy Birthday to Alan and **Happy Birthday** also to one of his longtime Associates, the lovely **DEBORAH SIENNA**.

•Chicago-based **XSport Fitness** has announced that, by **June of 2012**, it will have **32 clubs open** and will have instituted a new **\$9.95 per month price point** in their **XSport Fitness Express** clubs. For just \$9.95, members will have access to the XSport Fitness Express clubs ranging from 16,000 to 25,000 square feet. See the **Press Release on Page #24**.

•**Congratulations** to **COLIN MILNER** and his **Team** at the **International Council on Active Aging (ICAA)**, as they celebrated their **10th Anniversary** of the Association on **October 1st**.

•This from **IHRSA** about **Crunch Fitness**: In its first year, **Crunch Fitness Franchise**, known for making Crunch's innovative classes and No Judgments philosophy available and affordable to gym-goers across the country, has opened 12 locations throughout the United States and Australia and has inked deals to open an additional 100 clubs throughout the United States and beyond. The largest and most recent agreement has come via a partnership with retail development mogul, **DENNIS CIERI**, who plans to open **30 franchise locations throughout Northern New Jersey** (See **Press Release on Page #22**).

•**LARRY GURNEY'S Rush Fitness Complex** company continues to grow and improve with the company now boasting 23 clubs in Tennessee, North Carolina, Georgia and South Carolina. New club growth continues with a recent new club opening in Greenville, South Carolina. Improvements are coming as the Rush Fitness Complex in Alcoa/Maryville, Tennessee has undergone a complete remodeling bringing it to the state-of-  
 (See *Norm's Notes Page 8*)

## JLR Associates

*Announces the placement of*

**Eric Claman**  
*Sales Account Representative*  
**Twin Oaks Software Company**

*Whether you are seeking employment or are in need of qualified candidates to fill your vacancy, JLR Associates can meet your needs. We specialize in executive recruitment for the health, fitness, and wellness industry.*

**For all of your employment needs,  
 Contact JLR Associates!**

**Jeff Randall**  
 Office: (781) 251 - 0094  
 Cell: (617) 823 - 9020  
[jr@jlrassoc.com](mailto:jr@jlrassoc.com)  
[www.jlrassoc.com](http://www.jlrassoc.com)



...Norm's Notes

continued from page 7

the-art of the new Rush Fitness facilities.

•The **30th Annual Athletic Business Conference and Expo** will take place in **Orlando, Florida November 30th - December 3rd** at the **Orange County Convention Center in Orlando**. Former **NBA star, BILL WALTON**, will be a keynote speaker. In addition to the Athletic Business Conference, the **Medical Fitness Association (MFA)** and the **ICCA (International Council On Active Aging)** will host their annual conventions

simultaneously. For more information, go to [www.medicalfitnessassociation.com](http://www.medicalfitnessassociation.com), [www.athleticbusinessconference.com](http://www.athleticbusinessconference.com) and [www.icaa.cc](http://www.icaa.cc). **Congratulations to PETE BROWN** and his **Athletic Business Team** on their **30th Anniversary** of Athletic Business Magazine and the Conference and Expo!

•A belated **Happy Birthday** to **RICK CARO**, my friend since 1978, as his birthday was **October 12th!**

•While I'm not an **Apple stockholder** or current Apple product owner or user, I must take a brief moment to acknowledge the

passing of a **true genius** from this earth: **STEVE JOBS**. May he **Rest In Peace**. I'll never forget the used Apple Computer I bought from a friend for just **\$100** in 1993 to start **CLUB INSIDER** about 19 years ago. That tiny little box changed my life forever, and it was totally dependable, even though it was 5 or 6 years old when I got it and a floppy disk to start my publishing career. To say that I pounded that keyboard relentlessly for years would be exactly right because that was in the days before the Internet came along, and I had to type in every single word we published for several years. I'm looking forward to next month because my friend and **CLUB INSIDER Contributing Author, DEREK BARTON**, is sending an article about Steve Jobs and Apple and its impact on our industry. Given the fact that Derek is truly one of the best writers I have ever met, this will be a very interesting article that's coming from Derek's keyboard for November. **Stay tuned!**

•**HELEN DURKIN** is **IHRSA's Director of Public Policy** and has been doing a great job for what I believe is now 20 years. Helen sent me a chart showing the many great results of IHRSA Public Policy Department's efforts. Check it out on **This Page**. This chart illustrates well the need for the entire industry to support and contribute to the IHRSA's Public Policy fights because, if you own and operate a health/fitness club, your club business is definitely a potential target for new or increased state sales taxes or other business-damaging legislation that needs to be opposed on your club's behalf. IHRSA is the only organization on earth you will have to turn to if the government in your state proposes new sales taxes or potentially damaging legislation, such as somehow restricting or prohibiting EFT dues payment processing. Do not be caught with your pants down in your state when your state legislators start sniffing around for more tax revenue or feel other industry damaging legislation is a good idea.

•**Welcome** to **TONY TORRE**, as he's joined **Visual Fitness Planner** as the new **National Sales Director**. Check out the

announcement on **Page #27**.

•This news from **IHRSA: California's State Legislature** approved a measure that prohibits minors from using indoor tanning facilities across the state. Under California's previous law, minors between 14 and 18 years of age could use a tanning device with consent from a parent or legal guardian. The legislation, **Senate Bill 746 (SB 746)**, eliminated the consent option regarding persons between 14 and 18 years of age and **prohibits all minors** from using any ultraviolet tanning device, with the exception of written consent from a medical professional stating the minor is using the tanning device due to a medical condition. SB 746 was signed into law by **GOVERNOR EDMUND BROWN** on October 9, 2011, making California the first state to prohibit the use of tanning beds by minors. IHRSA does not have a position on tanning regulation. Knowing that many of IHRSA's member clubs provide tanning services, they monitor legislation that imposes requirements on tanning facilities, giving special notice to legislation that contains staffing requirements. If you have any questions or comments regarding SB 746, please contact **TIM SULLIVAN, Senior Legislative Analyst**, at [ts@ihrsa.org](mailto:ts@ihrsa.org) or **(800) 228 - 4772**. For more information on legal and legislative issues in California, visit [www.ihrsa.org/california](http://www.ihrsa.org/california).

•**Best of luck** to **JOEL TALLMAN**, formerly with **Gold's Gym International** and **CHARLEY LINDSEY** and **TIM GODWIN** of **American Club Systems**, as they've joined forces to launch a new company called **Fit Brands**. Check out the **Press Release** on **Page #21**.

•**Happy 70th Birthday** to **MICHAEL SCOTT SCUDDER!** You did a great job of refereeing the Chicago panel!

•**The Centers for Disease Control (CDC)** in **Atlanta** has allocated **\$8 million** to **Viridian Health Management**, a Phoenix-based company, to set up a comprehensive national workplace health program to improve the health of American  
(See *Norm's Notes* Page 10)

**Results = Retention.**  
**NFPT TRAINERS GET RESULTS.**

Strengthen your trainers,  
retain your members.

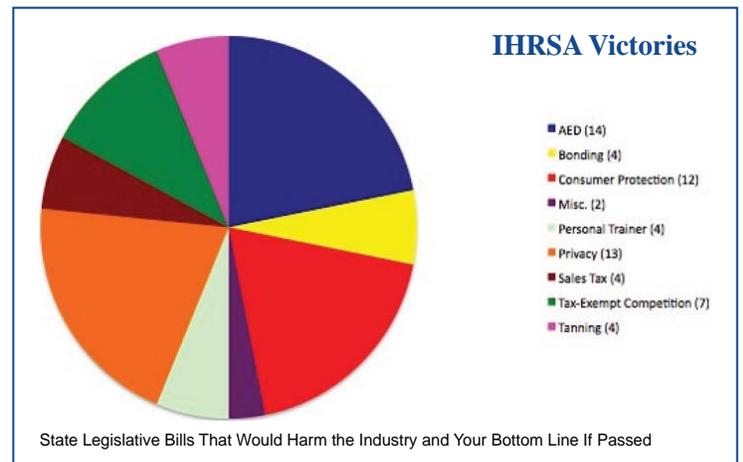


**NFPT**  
National Federation of  
PROFESSIONAL TRAINERS

ACCREDITED

[www.NFPT.com](http://www.NFPT.com) | 800.729.NFPT

BE CERTIFIED :: BE MORE :: BE YOU





Do you need a hand  
managing your facility?

## With AAC, running your facility has *never been easier.*

Affiliated Acceptance offers everything you need to keep your facility running smoothly by providing full service billing, software and collection services. Call our sales team today to start making your life easier.

*Your simple solution to success.*



**AFFILIATED ACCEPTANCE**  
CORPORATION  
SOFTWARE | BILLING | COLLECTIONS

Join our community!



800.233.8483 • [sales@affiliated.org](mailto:sales@affiliated.org) • [www.affiliated.org](http://www.affiliated.org)

### ...Norm's Notes

continued from page 8

workers and their families while reducing healthcare costs. A key component of the program focuses on innovative new ways to get people to exercise and improve their nutrition while targeting policies that reduce tobacco use.

•A warm **Welcome to BOB and BIRGIT McKENNA** and their **Piedmont Health and Fitness Company**, a new **CLUB INSIDER Advertiser**. Piedmont is a 10-year old commercial fitness equipment refurbishing and sales company based in

**Spartanburg, S.C.** You may do business directly with Bob by calling **(864) 921 - 0647**. Check out the **Piedmont Health and Fitness Ad Below** and their website at [www.piedmontfitness.com](http://www.piedmontfitness.com).

•**Curves International** has teamed up with **IHRSA** and the **Joining Forces Network** and over 500 of its independently owned and operated clubs are enrolled in the affiliation of health clubs offering free memberships to the immediate family members of actively deployed Reservists and National Guard members throughout the United States. I hope your club is enrolled, too!

•It's time to *save money now* by signing up for **IHRSA31 in Los Angeles for the first time ever** and to make your airline and hotel plans for **IHRSA Los Angeles, the Association's 31st Annual Conference and Trade Show! Call (800) 228 - 4772, Ext. 129**. World class keynote speakers, **WILLIAM TAYLOR, SIMON SINEK** and **GUY KAWASKI**, are booked to speak, and if they're nearly as great as **IHRSA's 30th Annual Conference** keynotes, then we're all in for a treat. This is truly the world's #1 health and fitness club business learning experience and you really should be there if you make your living in our industry. For the first time in the association's 31-year history, the event will be held in **Los Angeles, California** in the award-winning **Los Angeles Convention Center**, adjacent to the mega entertainment complex **L.A. LIVE**. "With a number of unique restaurants, shopping experiences, sports venues and more, Los Angeles, especially L.A. LIVE and the L.A. Convention Center, will be the perfect destination for IHRSA members to convene, network and experience the best our industry has to offer," said **MEREDITH POPPLER, IHRSA's Vice President of Industry Growth**. "Another great feature of the L.A. LIVE area is that plenty of affordable hotels, with rates starting at only \$135 per night, are within walking distance of the event," Poppler added. Additionally, The **7th Annual BASH for MDA's Augie's Quest**, which drew more than 800 attendees and raised over **\$1.3 million** last year, will take place on **Friday, March 16th from 6PM to 11PM**. All proceeds benefit Augie's Quest, which in conjunction with the **Muscular Dystrophy Association (MDA)**, is an aggressive, cure-driven effort, singularly focused on treatments and cures for amyotrophic lateral sclerosis (**ALS, or Lou Gehrig's disease**).

•**IHCA, the International Health Club Association**, has been founded by **ANDREW CARCHIA**. For more information, go to [www.ihcafitness.com](http://www.ihcafitness.com).

•**Med-Fit Systems, Inc. CEO, DEAN SBRAGIA**, has announced an agreement to purchase substantially all of the **SportKAT Company's** assets, which includes the **Korebalance** products. Sbragia commented, "Purchasing of the SportKAT Company provides us with a platform to fulfill our mission statement-

providing products and programming to serve the entire wellness continuum."

•While I was at my booth at **Club Industry in Chicago** an old friend of mine, a veteran in our industry and a **competitor of Gold's Gym International (GGI)**, came by to tell me, and I quote him, "Norm, Gold's Gym International has stopped selling franchises." So, while working on this deadline, I reached out to **DAVE REISEMAN, Vice President of Communications for GGI**, to confirm this *apparently unsubstantiated rumor*. Dave replied, "Funny how the rumor mill in our industry works... nothing could be further than the truth. In fact, the exact opposite is true; our franchising department, led by **TIM HICKS**, is aggressively pursuing new franchising opportunities, talking with new franchisees, potential franchisees and existing franchisees about growth and development opportunities. GGI is doing franchising advertising and PR, attending trade shows to meet with potential investors and even revamped our franchise sales site. Franchising will always be a huge part of the growth and soul of the Gold's Gym brand. Hope that definitely clears that one up!"

•Some may not know that **CLUB INSIDER** is a **Paid Subscription-based Publication**. Are you a **Paid Subscriber**? If the words **PROMOTIONAL COPY** appear above your name and address on the cover of this month's edition, you *are not* a **Paid Subscriber** and are not enjoying the full benefits of a Paid Subscription to **CLUB INSIDER**. Don't delay, subscribe today by going to [www.clubinsideronline.com/subscribe](http://www.clubinsideronline.com/subscribe).

•**God bless our Troops** in the **Middle-East** and all around the world. And, may **God bless you, your family and your club(s). God Bless America!**

*(Norm Cates, Jr. is a 37-year veteran of the health, racquet and sportsclub industry. Cates is the Founder and Publisher of CLUB INSIDER, now in its 18th year of publication. Cates was IHRSA's 1st President, and a Co-founder of the Association with Rick Caro and five others, in 1981. In 2001, IHRSA honored Cates with its DALE DIBBLE Distinguished Service Award, one of its highest honors. Cates may be reached by phone at 770-850-8506 or email at Norm@clubinsideronline.com)*

## Your Source For Refurbished Commercial Fitness Equipment

**Piedmont Health and Fitness**  
**(864) 921 - 0647**

- Commercial Fitness Equipment for Any Budget
- 10 Years Experience in the Fitness Industry
- 20,000 Square Feet of Commercial Equipment
- Monthly Inventory Updates Via Email
- Full Gym Packages and Financing Available
- Custom Upholstery, Embroidery and Logos
- Life Fitness Treadmill Electronics Repair

### Come Visit Our Warehouse

Piedmont Health & Fitness  
 219 East Blackstock Road  
 Spartanburg, SC 29301

or online at

[www.piedmontfitness.com](http://www.piedmontfitness.com)

We sell high quality commercial fitness equipment from:

Life Fitness	Star Trac
Precor	Paramount
Cybex	Bodymaster
Nautilus	Technogym
Stairmaster	Hoist
Hammer Strength	Troy

**Make  
It Fun!**

**NATIONAL  
GYM  
SUPPLY**

# NATIONAL GYM SUPPLY

1-800-GYMPART / WWW.GYMPART.COM

## Strength Equipment Parts!

**Life Fitness  
Freemotion  
Quantum Fitness  
Maxicam  
Hoist  
Body Masters  
and more...**



◀◀ **Ordering custom cables for your strength equipment has never been easier.**

Use our new Custom Cable App at [www.gympart.com](http://www.gympart.com)



Call us at  
**1-800-GYMPART**  
or go online to  
request your  
free copy of the  
2011 catalog!

## ...Medical Fitness

continued from page 3

since December of 2010.

We contacted Ken Germano by phone at his office to discuss the new developments at MFA since he stepped in at the end of 2010. He will also share his plan for upcoming MFA activities to be held in conjunction with the Athletic Business Conference in Orlando, November 30th - December 2nd.

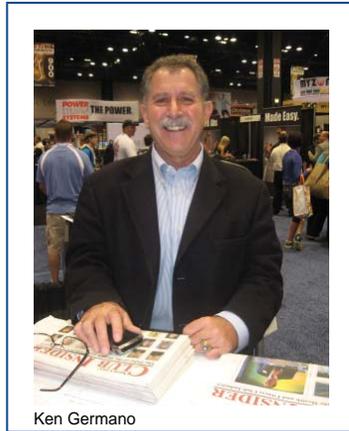
### Comments from Ken Germano, Executive Director of the Medical Fitness Association

**CLUB INSIDER (C.I.)** - About how many Medical Fitness Centers are there in the United States? How many members do they serve? Where are the sources for this data?

**Ken Germano (KG)** - In 2008/2009, there were roughly 900 medical fitness centers that served approximately 3.3 million members. By 2011 (according to the American Hospital Association database, the MFA's Benchmarks for Success, 8th edition and Becker's Hospital Review), the number had grown to 1,200 facilities serving approximately 4 million members. The interesting thing about the membership is that 50% of the members in these facilities have never set foot in a commercial fitness facility. So, this is a first time. That's where the physician referrals for membership come in or the movement to physical therapy or cardio rehab, where they are utilizing exercise.

**C.I.** - Tell us about the MFA's Board of Directors. I know my long-time friend, Mike Dupuis of HealthWorks Fitness Center is the current Chairman. Who are the other MFA Board Members?

**KG** - Norm, they include Michael Richmond of Heller and Richmond, Ltd., Chair-Elect; David Carpenter of Baptist Healthplex, Inc., Secretary/Treasurer; and Past Chair, Brad A. Roy of The



Ken Germano

Summit - Kalispell Regional Medical Center. At-large Board Members include John Calini, FirstHealth Centers for Health and Fitness; Deb Riggs, TriHealth Fitness and Health; Jennifer Hooper, Piedmont Hospital Health and Fitness; Thomas L. "Tim" Stover, Akron General Health and Wellness Center; Richard Gershom, Northwestern Lake Forest Health and Fitness Center; Robert Gotlin and Beth Israel Medical, The Continuum Center for Health and Healing; and Neil Byrd, Rex Wellness Center of Raleigh.

**C.I.** - What are new major initiatives for MFA since you've been at the helm during 2011?

**KG** - Hopefully, people have noticed that we've launched and gone live with a completely new website and IT platform in August. That website address is [www.medicalfitness.org](http://www.medicalfitness.org), and it is a completely interactive vehicle with the capabilities of Facebook and LinkedIn networking. It outgrew its host in the first three weeks because of the volume of activity. We had to move it to a larger and more scalable host. We allow people to register without paying for a membership because it's about building the space and building a very connected network. So, we have over 2,000 people registered on the



Dr. Allen Weiss Presenting at the Medical Fitness Association

site already! It's really designed to create an interactive community, as opposed to just being an information source or online billboard. We've launched a webinar platform that's really 'stocked,' between now and the end of the year. This will include people like Jim McPartland on *Communication is a Contact Sport*; Dr. Pam Peeke, who's involved with the Surgeon General talking about *Eat Less... Move More Without Medical Fitness Doesn't Work*; Dr. Nick DiNibile talking about framework and muscular skeleton issues and how to approach things as we continue to age and beat ourselves up during our lifetime. We will also hear from Dr. Jason Conviser on the incredible opportunity of Medical Fitness now! So, we're pleased with the upcoming webinars.

Members of the MFA also get all of their Continuing Ed credits, and physicians and nurses get their CMEs, as a part of their membership. We don't charge people for the Continuing Ed part because it's expensive enough. The Regional platforms that we've been able to create and maintain include six Regional meetings throughout the country, and we've also created two collaborative meetings with IHRSA Affiliates, NEHRSA and California Clubs of Distinction. The NEHRSA Annual conference will be in collaboration with the Medical Fitness Association on November 1st and 2nd in Providence, R.I. Importantly, there are a lot of people who can't attend an annual conference, and there's a lot of demand for information and acumen around the medical fitness subject. This is a great opportunity for us to leverage our combined efforts and put on something that's really specific and germane to that area. The Medical Fitness Institute that we produce each year was at Vanderbilt University in June. We were able to film the event, and we'll have it online on our website in the near future. So, people who didn't have the opportunity to attend the Institute will soon have the ability to view it online. Another thing we did was create

a new Logo (shown on the cover).

**C.I.** - Isn't the online technology for teaching these days just great!

**KG** - My gosh, for me, that was the most important thing we could accomplish the fastest because it makes everything else happen.

**C.I.** - How would you describe the current marketplace for Medical Fitness Centers in terms of both new builds and major renovations?

**KG** - I know from architectural and management firms that renovation projects are going at a very good clip because you've got three segments of this market. You've got the traditional hospital build. Then, you've got the management companies who built them and then pull hospitals along and leverage hospital assets very well. Then, you've got conversions within multipurpose commercial clubs, and there are conversions in this space that are going. Great examples are Dedham Health and Athletic Club in Dedham, MA with Lloyd and Roberta Gainsboro and Atlantic Coast Athletic Clubs with Phil Wendel in Charlottesville, VA, and you look at how they've been able to transition.

So, when you look at the scale of those multipurpose facilities, they're in a very good position to be able to be part of the delivery of medical fitness by expanding the services and products that they deliver to their clientele. You've got renovation going on, and you've got new builds going on right now. There are companies that have some tremendous plans to build a number of facilities over the next three to five years. When you look at the manufacturers and vendors who have concentrated on this space for a few years, the outcomes right now are very positive. There is a very positive trend. If we talk about the industry growth between 1999 until now, the annual growth has been about 6% annually, and that pace is forecasted into 2015. So, it continues to  
(See *Medical Fitness* Page 14)



(L to R) MFA Award Winners Doug Sham, Jim Gallagher, Natalie Johnson and Shane Fairchild

EFT | SOFTWARE | MARKETING

SELF-SERVICE  
CLASS ENROLLMENT



DATA  
WAREHOUSE

# DataTrak



ABC  
MOBILE APP



GIFT  
CARDS

## THE INDUSTRY'S MOST POWERFUL SOFTWARE...

Keeps Getting Better.



ABC Financial has developed smarter, more efficient solutions to the billing and software needs of more than 3,000 fitness clubs nationwide. Our clients trust us to deliver leading edge industry insight and innovations to help them collect more money from more members.

ABC Financial has always been known as the leader in customer and member services. With the addition of DataTrak's Data Warehouse, Self-Service Class Enrollment Kiosks, ABC's Mobile App, and Reloadable Gift Cards, we provide the most powerful software in the health club industry.

We invite you to learn more about what ABC can bring to your business. Contact our sales team today at **1-800-551-9733** or visit us at **abcfinancial.com**.



Follow us on  <http://www.facebook.com/abcfinancialservices>

EFT • SOFTWARE • MARKETING

©2011 ABC Financial Services, Inc.

## ...Medical Fitness

continued from page 12

move up. It's not all large facilities. I'd say out of the 1,200 we talked about, maybe 300 to 400 of those facilities are the larger ones in the range of 30,000 to 70,000+ square-feet, and there are many that are much smaller.

**C.I.** - Do you have a sense of how EBITDA margins are faring for 2011?

**KG** - We're seeing, on average, 11% with a high of 12%.

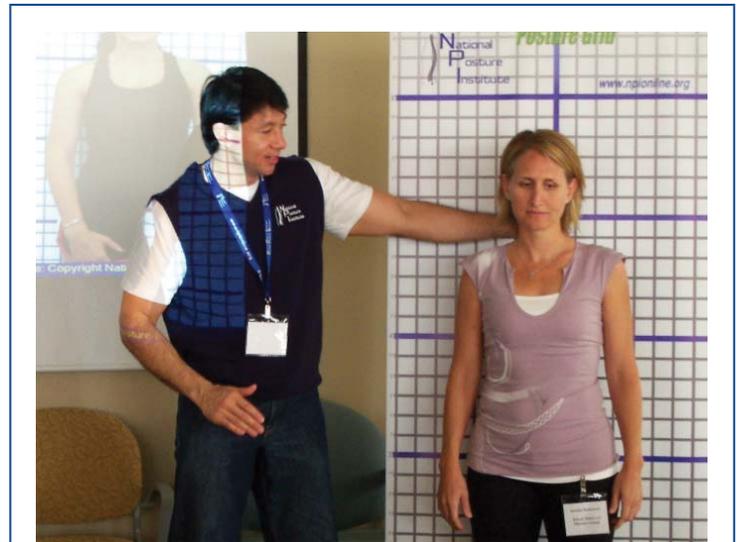
**C.I.** - How can MFA facilities tell their story better to each one's marketplace and create clear differentiation?

**KG** - There are some key sound bites people may use. The first sound bite is really talking about differentiators. The *differentiators* are (1) Medically-supervised, which specifically implies physicians are involved and (2) Integrated Process, which means that you have integrated ambulatory services, things you would find in a hospital or an orthopedic center, into the process and integrated with the exercise product that we know that is driven by outcomes. Then, there's a supply chain or human capital element that's accountable to those outcomes, so somebody along that chain is holding someone accountable. This next comment is not meant to disparage, and it has to be taken in the proper way. I had a member contact me about two months ago, because in a discussion with his physician, he discovered a facility in the community was offering free memberships to people with diabetes. Now, this could be good because it's free or it could be very dangerous because there is no one on staff who's qualified, by degree or acumen, to deal with diabetics. You can't treat one like you treat another. Where I'm going with this is that these pieces enable facilities to treat different people differently. With this integration, you have

the ability to mass customize what you're doing with each person. The Medical Fitness model allows us to do that very accurately with science and evidenced-based outcomes documented and those are the sound bites they need to speak to.

When you talk about global trends that are influencing our future, we have a higher incidence of chronic disease, and we have a higher incidence of muscular skeletal issues and chronic pain; we talked about arthritis. We have a higher incidence of cardiovascular disease and stroke, and we have physical inactivity and obesity. We're not just talking about an aging population; we're talking from kids all the way up. We know all these centers have kids programs. One of the best things that these facilities do is community education. That is leveraging the assets of the hospital partner, and it's not always a hospital partner in close proximity to you. Hospitals are great from the health education standpoint of going out into the community talking about diabetes, talking about prostate cancer, talking about arthritis, talking about things that affect lots of people in the community. A lot of these education centers are built on the hospital premises. They're bringing in a 100 or 200 people a day for these seminars at no charge to the people. So, the people are exposed to the medical fitness center and they say, 'Gosh, I didn't know that this existed!'

They're now having this information presented to them in a very appropriate way. That's a great symbiosis between the medical facilities when you think about how many hospitals there are. Sometimes, people in non-profits have a non-profit mentality and don't work with the same sort of urgency as do people in a for-profit business. But, I think what we've seen is when you take that urgent element and you combine it with these elements, you've got the best of both worlds. So, there is that sense of urgency to do things in an expeditious, detailed and timely manner because it's efficient to do it that way. But,



(L to R) Ken Baldwin and Florida Regional Conference Attendee

you've also got the benefits of the medical fitness world which may have begun on the non-profit side, but that kind of creates the secret sauce. Just because you put physical therapy on the premises doesn't make you or qualify you as a medical fitness facility. We know clubs that have been trying that for the last 25 years, and we know from trial and error that it didn't always work as well.

**C.I.** - Some of those medical fitness centers who belong to MFA are not as 'medically different' from commercial clubs with leased space to medical entities and with a 8-10 person Medical Advisory Board. Can you clarify what makes for an 'MFA fitness/wellness center'?

**KG** - Let's go back to the sound bites... *Medically-supervised*, which denotes direct physician involvement. There are different ways to have direct physician involvement; an advisory capacity, staff capacity or there's an advisory team of physicians, which could be 12 physicians in the community that comprise the advisory group as far as medical supervision is concerned. This means having reviewed and approved the programs administered by this facility as medically sound by principle and outcomes. Lastly is who is accountable for them.

The Integrated pieces... *Integrating the processes* we talked about such as physical therapy, cardiac rehab, radiology where we can demonstrate facilities that we are implementing now. Dentistry, general practitioners, x-ray facilities on site, we have facilities that back up to assisted care and living centers where residents are escorted over to the facility. The integrated pieces don't necessarily have to be on site, but what you're identifying is the logistics with regard to the supply chain to be able to deliver those services to members, patients or clients.

So, if you don't have physical therapy on site, you have a bonafide relationship with a physical therapist in the

community that you will actually facilitate the next step between that member, patient and client to that physical therapist. Then, the paper trail comes back so someone can be accountable for the outcome. Those are specific and defined. The best way for a facility to do this is to move through the MFA facility certification process. That is really where expert examiners will go in, and they will define that process from a management operations standpoint. They will also define it through specific and detail oriented interviews with everyone on the staff. So, when you ask 8 to 10 people on a staff the same question, you're going to get the same answer.

It's about those pieces, medically-supervised, integrated outcomes and accountability-based delivery of fitness and exercise to manage disease. It's not just the exercise. It's taking all of those ambulatory pieces and combining them with fitness and exercise to treat the whole person. So, it's a very functional medical way of doing things. Of course, they're a lot of facilities out there that may have a piece of it; they may only have great marketing. But, you know what? That's the way it goes as we both know these things happen in all spaces. We're trying to be an educational resource from which people learn, which is why we've created the collaboration with NEHRSA and California Clubs of Distinction to help start disseminating that information out there. The research has been done. There are guidelines for operation components. There are the benchmarks for success and compensation surveys. Things are very current in that regard.

**C.I.** - In the commercial space, there are clubs ranging from 1,000 - 2,000 square-foot studios and niche facilities all the way up to over 400,000 square feet. What's the range of the *majority* of medical wellness centers in terms of square footage?

**KG** - Approximately 400 of them are in the (See *Medical Fitness* Page 16)



Ken Germano Attending An Early Days Convention While Working For Cybex

**Text&Win**  
 Marketing generates  
 thousands of qualified leads.  
 As easy as 1, 2, 3...



## TouchPoint

**1**  
 Add this to all marketing,  
 posters, billboards,  
 lead boxes...

Text Your  
 First & Last Name  
 to: (555)ABC-CLUB  
 For a chance to  
**WIN!**

**2**  
 Prospects text in and get  
 an immediate response!

**3**  
 All Leads are immediately in  
 TouchPoint &  
 Visual Fitness Planner



Name	Personal Training	Sales	Added	Owner	Leads added to	What's Next
John Smith	Text Message	Other	Today	Incoming Leads	Today	Today's Call
Courtney Hines	Text Message	Other	Today	Incoming Leads	Today	Today's Call
Simon Walker	Text Message	Other	Today	Incoming Leads	Today	Today's Call
Frank Elias	Text Message	Other	Today	Incoming Leads	Today	Today's Call
Don Albano	Text Message	Other	Today	Incoming Leads	Today	Today's Call
Warren Webb	Text Message	Other	Today	Incoming Leads	Today	Today's Call
Sam Labasa	Web Lead	Facebook	Today	Incoming Leads	Today	Today's Call
Scott Johnston	Web Lead	Facebook	Today	Incoming Leads	Today	Today's Call

See how easy it is....

**Text&Win**  
 A Tablet PC Today!\*

Text your  
 First & Last Name  
 to: 619.434.0837

for a chance to win a Tablet PC  
 and more information about TouchPoint!



\*drawing for the first 50 people to text in

## ...Medical Fitness

continued from page 14

30,000 to 70,000 square-foot range. Less than 50% are the mega facilities. Most of them are between 10,000 to 30,000 square feet. I know there are models of physician-run facilities that are 10,000 to 12,000 square-feet that are very efficient. The 10,000 to 12,000 square-foot facilities may not have all of the ambulatory services on site, but again, the larger facilities that have been built back in the '80s and early '90, such as the Healthpoint facilities and Healthplex facilities; Carl Porter and his Michigan Athletic Club; Doug Ribley and his Akron General operations; the Midtown Athletic Club facilities, formerly known as the Tennis Corporation of America and referred to as Proactive Partners, all fall in the mid-range from 30,000 to 50,000 square feet. I think Hervey Lavoie's architectural firm, Ohlson Lavoie Collaborative, have some great models to look at.

**C.I.** - What are some typical offerings MFA facilities have?

**KG** - Many provide ambulatory services, such as physical therapy, cardiac rehab, diabetes management, osteoarthritis, osteoporosis and they may have radiology on site. Some include such services as general dentistry and X-ray/MRI capability. It really depends on the partners that they work with because, in most cases, these are usually collaborative efforts. For example, when you look at Lloyd and Roberta Gainsboro's Dedham Health and Athletic Club and their relationship with Joslin diabetes clinics and Baptist Hospital, they will tell you that physician referrals are up, but the work begins once that person comes in the door. It's a whole different set of variables. You're not just selling a membership to exercise in the facility, and if you want these things, they are here; however, they are coming to the facility for a specific reason, and they need to understand the capacity and range of those facilities. It's more of an educational interview versus a sales presentation.

Then again, there are also small facilities which are 3,000 square feet that started more as a physical therapy/orthopedic clinic and then had to expand because they've seen the opportunity to use the exercise fitness tool as a way to manage disease. It's not new. These things have been done since the early '80s but only in a few instances. They are becoming more and more progressive and predominant because of the global trends that are influencing our present and future. Then, on top of that, you throw in a population that is aging and has to stay healthy and active longer than any civilization in history because, as you may have seen, the Harvard School of Public Health just put a report out three weeks ago they call the *Generational Shift* in which people are either postponing their retirement or negating it completely because they can't afford to retire. This means people have to

stay healthy.

We know that *exercise is medicine* so that platform has to be exercised at these levels. I just think in my heart of hearts that this is really an opportunity to bring all of the facets of our industry together because we are all talking about the same thing, and we all have the ability to deliver some facet of this in some way, shape or form. We just have to get the definitions correct, and we have to talk about it the same way. That's the real challenge, changing the vocabulary to create the shift. I think, and I know there are other people out there who think the same way. If we can do that, we can actually look back in ten years and say that we actually affected the way healthcare is delivered in this country. I hope we can.

**C.I.** - Do MFA facilities typically own their own real estate, or are they leased to an independent third party?

**KG** - It's a mixture of both. Hospitals will own their real estate and have land on their campus to create the build out. Or, the developer will have the real estate and have it built out by a management company, similar to a hotel. In the commercial fitness setting, some own the real estate, like Sports Clubs LA, recently purchased by Equinox. I don't have the statistics.

**C.I.** - Are all MFA facilities organized mainly as non-profit facilities?

**KG** - I'd estimate about 70% are non-profit operations.

**C.I.** - How many new MFA facilities were developed in 2011?

**KG** - Well, for the two year period of 2010 and 2011, the number grew from 950 to approximately 1,200. These are conversions and new construction. Some of them are the best kept secrets out there. Then, there is venture capital coming into the space to do a myriad of things, to acquire land and build and to create new models. It's an exciting time. Again, when you put all the pieces in, the health care piece in, the consumer piece in, the operations piece in, it's a little bit different. Not the same EBITDA's, but it still seems to be a very solid return on investment that will help the healthcare initiative in the right directions.

**C.I.** - What will the medical fitness sector look like in two years? Five years?

**KG** - Right now, the projection through 2015 is to be at 1,600+ facilities that will come from (1) hospital construction, (2) management companies and (3) conversions. I think 30% of that growth will come from conversions because you've got these larger multipurpose club facilities, like Dedham and ACAC that are used to delivering service at a high end. They have a strong monthly EFT with those facilities, so for them to transition into these higher end services and building that supply chain model with that integrated process is a good thing. I've had some very positive conversations with

operators who've been in business for 25 to 30 years where everything is inclusive. A good example might be TCA's/Midtown Athletic Club's Wildwood Athletic Club in Toledo where everything is inclusive. These things are out there.

Norm, who knows how to operate best? Hospitals may not be the best operators, but we know some really good operators in the space. When you understand how to leverage the assets of the hospitals, you can make this work. That's all the way down to that community education and outreach piece. It's just doing the work, getting in and listening to the people who have done it. I go back to some of the best examples in this space, Dedham Health and Athletic Club, ACAC and Michigan Athletic Club. That's looking at the conversion facilities. Then, you have the other pieces, Akron General and Neil Byrd's Rex Health in Raleigh, N.C. Rex systems just completed employee health assessments for 4,000 City of Raleigh employees. The same things are going on with Doug Ribley and Akron General, Jeff Bensky, Healthpointe, Steve Robbins, Healthplex and Dan Lynch, Visionbridge.

**C.I.** - Ken, before we close out this very informative interview, please tell us about your plans for MFA at the Athletic Business Orlando November 30th - December 2nd.

**KG** - We're introducing a CEO Forum for the Orlando Conference for the first time. The research is happening as we speak, and it will be held on Friday from 8AM to 12:45PM. It will be wrapped up with a wonderful keynote presentation by Jim McPartland, and that's a phenomenal presentation. Jim has a special energy and drive and a passion that's just terrific. Other Conference events include our Physician Forum, which is on Thursday, December 1,

8:00AM to 12:45PM. and we're fortunate to have Dr. Pam Peeke scheduled to speak on Wednesday, December 2nd and Dr. Nick DiNubule on Friday, December 4th.

• • •

Our industry is, and has always been, about open minded club owner/operators advancing the state of the art of their club businesses by doing new and timely things. The installation of medical fitness facilities and services through space conversions in long-standing clubs, all the way to inclusion of medical fitness facilities and services in new build plans for soon to be built facilities bodes well for the future. Advancing our industry through medical services is happening now at a slow pace that will increase in volume over time as more and more club owner/operators become comfortable with the idea of medical services and doctor relationships with their clubs. This is the future, and the future is now.

We would like to thank Ken Germano for his time on this interview and his and Rebecca Nordan's assistance in the production of this cover story. We wish Ken and the MFA Team all the best.

*(Norm Cates, Jr. is a 37-year veteran of the health, racquet and sportsclub industry. Cates is the Founder and Publisher of CLUB INSIDER, now in its 18th year of publication. Cates was IHRSA's 1st President, and a Co-founder of the Association with Rick Caro and five others, in 1981. In 2001, IHRSA honored Cates with its DALE DIBBLE Distinguished Service Award, one of its highest honors. Cates may be reached by phone at 770-850-8506 or email at Norm@clubinsideronline.com)*



**MEDICAL  
FITNESS  
ASSOCIATION**

# Created in 1989, we introduced the fitness industry to the benefits of Step Training.

## THE ORIGINAL STEP®

We began the Group Fitness revolution in 1989 with the invention of THE ORIGINAL STEP. Today, thousands of health and fitness facilities worldwide have discovered its superiority.

- ▶ The ORIGINAL Health Club Step
- ▶ Large step surface (36" X 14") covered with durable, non-slip mat
- ▶ Designed for safety - won't tip
- ▶ Adjusts, with support blocks, from 4" to 6" to 8"
- ▶ Inclines and declines, with the support blocks, for body sculpting
- ▶ Doubles as a weight bench
- ▶ **MADE IN THE USA!**



## THE STEP GROUP FITNESS WEIGHTS

### THE WEIGHTS

- ▶ Specifically designed for use in Group Fitness classes
- ▶ The center of each weight is tapered - easier to grip during hand-held exercises
- ▶ Weights are covered in a commercial-grade high-density polyethylene (HDPE) to improve durability
- ▶ Up to 300% stronger than standard weights
- ▶ Filled with DURACAST VX, a very high strength concrete developed by the US Army for protective applications and used to build skyscrapers and bridges
- ▶ The HDPE material won't scratch or scuff your Group Fitness floor
- ▶ Flexural toughness/compressive strength 10 times over conventional fill materials
- ▶ **MADE IN THE USA!**

### THE BARS

- ▶ Made of heavy gauge, powder-coated steel
- ▶ Bars will not bend or scratch
- ▶ 54 inches long with 8.5 inches available for weights on each end

### THE STORAGE RACK

- ▶ Durable powder-coated steel construction
- ▶ Holds up to 24 sets of bars, collars and weights

### THE COLLARS

- ▶ Quick release tab for convenient loading and unloading of the bar
- ▶ Will not scratch or damage the bar

### THE 10 KG SIDE RACK

- ▶ Durable powder-coated steel construction
- ▶ Holds up to 8 of the 10 kg weights



CONTACT US FOR A FREE QUOTE OR FURTHER INFORMATION:



The ORIGINAL Since 1989

• US Clubs & Instructors  
• International Clubs, Retailers & Instructors

**877.296.9990**

stepfitness@thestep.com  
www.thestep.com

# The Number ONE Reason Your Members Are Not Getting Results and Nine Other Culprits That Kill Their Success

**By:** Donna Krech

In 1982, I entered the fitness business. I was so excited to learn about getting great results for my members! Instead, I learned how to use what was commonly referred to as a "pitch book." People would join, work out for a while, then leave. Unfortunately, that same pattern is still being followed in far too many gyms today. For over a decade, I watched as people were sold into the club but never sold on how to get maximum results there.

Don't get me wrong, I'm not one of those people who thinks selling is sinning. I believe in sales. I think it's the best way ever created to serve others. But, that may be because after the decade I just mentioned, our facilities started focusing on getting members the best possible results. We focused on being in it for them, meeting them where they were and uncovering the real reasons they weren't achieving what they signed up to achieve. What we learned will surprise you and set you and your members up to FINALLY get the results you want. These points are still true in our club today.

**1. Where Does the Time Go?** It may seem an odd thought at first, "Members aren't getting results at my club because of time?" Think about it. 100% of those who stop working out say it's due to other things taking their time. While some facilities help a little by being open 24 hours, a program that uncovers what your time needs are, meets them and shows you how to find extra time will be the place for best results.

When something fits into our life, we fit it in. When we fit it in, we get results from it. More than just being open 24 hours, the club that offers a time management study right out of enrollment is fitting fitness into someone's life for them and overcoming the very thing that is proven to keep them from getting results. Hey, don't just take my word for it. Ask people who've stopped exercising if their life got too busy to fit it in. You'll hear it too.

**2. Powerful Why Focus with Fat Burning Education.** When you know the why, the how is easy, and only 4% of people know the real reason they join a club. Sure, we know people join to lose weight, to feel better or for an upcoming event, but these are external motivators. While they're important, the motivation that accompanies them doesn't last. We fail to achieve our goals because we don't clearly define them. There are only seven Powerful Why's, and once someone knows theirs, focus is maintained and every goal

is achieved.

Don't look at just what a member wants, but *why* they want weight loss, better health, etc. For example, maybe they want to lose weight so they can play with their kids or grandkids without tiring. Their "why" is family, not weight. Maybe they were diagnosed with a life-threatening illness like my husband was. He works out to prevent the cancers from returning. That's not just health improvement, that's life preservation. My friend works out to not end up in a nursing home like her parents did. That's a lifestyle and independence goal. Dig to uncover the goal that will motivate your member on an ongoing basis. They'll get results.

Also, since we know that 90% of people join our clubs to lose weight, make sure your gym has a strong focus on fat burning. Provide educated advice on the proper group fitness classes, foods, exercise routines and circuits that burn the most fat. A facility without the knowledge a member needs to achieve their goal is almost as suicidal to their results as not having a goal.

**3. "Mom, I'm Bored!!!"** We're not kids anymore, but we still get bored! Make sure your gym has structured programs to follow, gives feedback on how members are doing and offers orientations for multiple circuits. Boredom with a workout equals a quit.

**4. "NOOOORM!!!"** The Cheers TV show had it all figured out. Erin Grimm joined our club 65 pounds ago and hated exercise at the time. She's kept her weight off and is there every single day now. She'll tell you she feels a part of everything that goes on, that we gave her a new life and that she comes because she feels like she's coming to see her other family. Erin even works events, writes articles and gives constant testimonials for the facility. When a member feels connected, not just welcomed at your gym, they'll come more often, and of course, when they come more often, they'll get more results.

**5. Weight Loss Plan Focused on Real Food.** It's still assumed (incorrectly) that a health club membership will result in weight loss. A health club membership will provide a place to exercise. An eating plan based on foods a person can live with permanently is the key to lasting results. Some clubs say they offer weight-loss plans and then ask members to go on liquid diets, pure protein plans or green goop! Remember, this is about what an average member can do, not what *you*, a fitness professional, can do. Simply allow a member to ask, "Can I follow this eating plan for the rest of my life?" If they can, it's a great plan for them and results are sure to follow.

**6. "Put me in coach!"** One-on-one life coaching should be available. Accountability is the key to real success and coaching, as a business model, is skyrocketing! We've produced an extra *quarter of a million dollars* with it, with just one employee. We weren't created as islands. We're social creatures who need social support. Those who share their desired results with a trained life coach are 95% more likely to see those results achieved.

**7. Supplements and Nutritional Products.** Having products available helps give access to better results and product knowledge shared with a member gets those results. There are basic supplements that will triple energy naturally, build lean muscle more easily and curb hunger without stimulants. Does your club carry them? Do you know how to educate and sell them to your members every day?

**8. "I'm so stressed, I could @#;!"** Think about it. When stressed about money, many of us eat or drink for comfort. Many others simply vegetate on the couch when something upsets them. Either way, the venom of stress is poisoning results. What's being offered to help members deal with the financial and relationship stress in life, so that can be beaten and they can get back into to the gym?



Donna Krech

**9. Everybody Wants to Be There.** When friends are getting results, they refer friends. When doctors see results, they tell patients. Results are found when the results others are seeing are posted, and now, more than ever, where physicians are telling their patients to go. Post results and share the word with doctors in your area.

**10. "There's an app for that!"** In today's world, we all want to be connected faster, better and easier. An interactive web presence that allows a member to monitor goals, talk to trainers, enter and win contests and stay connected to your gym is a perk that Mr. Spock only dreamed of. It's real, and it's here. Can your members check in online?

You may wonder why group or individual personal training isn't on my list. Simple. I've shared with you what we've learned from thousands of members. While I absolutely believe that personal training helps with results, our now two-decade-long study has revealed the above as the top 10 reasons results weren't achieved in gyms. If trainers adopt each of these result-producers, our nation will thrive.

If time has prevented you from getting the results you want, learn how to add more time every day! Visit [www.moretimeeveryday.com](http://www.moretimeeveryday.com), and please accept our free gift of 20 more weeks in your year. You read it correctly; go get 'em. If you're a gym professional, they're yours for free too. All we ask is that you share these tips with your members, and if you would, please tell folks where you learned them.

(Donna Krech is the Founder and Owner of Thin&Healthy Total Solutions and she may be reached at [Donna@DonnaKrech.com](mailto:Donna@DonnaKrech.com))





# CAN YOU FIND THE HIDDEN CASH ON YOUR CLUB FLOOR?

**WITHOUT ADDING A SINGLE MEMBER, we'll reveal to you how to produce... at minimum... an additional 6 FIGURES in your club.** *Seriously, it's there right now!*

## **OUR REVENUE REVEALING ASSESSMENT WILL ACCURATELY:**

Reveal how many members want to invest more in your club

Reveal what those members want to invest in

Reveal who those members are

Reveal what words will ensure that they buy

## **TO GET YOUR FREE REVENUE REVEALING ASSESSMENT,**

Call or visit today!



**(866) 260-8446 | [www.ThinAndHealthy.com](http://www.ThinAndHealthy.com)**

# Improving Your Disaster Personality

**By: Will Phillips**

More than one in four of every small business will experience a significant crisis in the next twelve months. This ratio holds true on an annual basis. Thus, the odds are your club will have an emergency in the next four years. Forty three percent of small businesses with no disaster plan never reopen. This article is about saving your business in a disaster and maybe enhancing its position in your community by how you respond.

I once thought that life was like a series of stairs: first step, walking; second step, talking; third step, first grade; fourth step, grade school; then college, job, marriage, house and kids... Whoops, forgot the dog! Then, I encountered the real world where we can't always see what's coming. Divorce, back to START; change careers, back to START. You get the picture. Stuff happens! It surprises us. Sometimes, it can kill us. The freak wave that washes a 10-year old to her death. The heavy snowfall in Massachusetts in 2011 which collapsed over 170 roofs of businesses. And of course, 2008! Then, hurricanes and tornados!

Every industry that engages in uncertainties of high risk, like fire, police and flying, and every risky avocation like rock climbing and sport parachuting, deals with risk/disaster the exact same way. As a business owner or leader, you can learn from these successes. Here are the insights:

**First Insight** - Expect the worst. Do not fall victim of the emotional protection of denial. Pretending there are no wolves in the dark does not protect you. The wise business leader seeks to identify all the possible risks, even the ones the experts do not see. Richard Feynman, a Nobel physicist on the panel reviewing the Challenger disaster in 1986, interviewed frontline engineers on the likelihood of a disaster. They almost universally calculated the risk of a disaster as 1 in 100 launches. NASA management, on the other hand, officially endorsed a 1 in 100,000 rate of fatal disasters. The managers thought shuttles launches were one hundred times safer than the front line engineers. In actuality, over some 135 orbital launches, there have been two fatal flights: Challenger 1986 with seven dead crew and Columbia in 2003 with seven dead crew. Two disasters in 135 launches is about a 1 in 60 chance of disaster. Why did management think it was 1 in 100,000?

First, they did not seek/listen to the frontline experience of their employees. Second, they wanted an image of safety (only after the first disaster did they say 'exploration has risks.'). Third, it was too challenging mentally to be a committed supporter of the Shuttle Program and

simultaneously believe disaster was so likely. As F. Scott Fitzgerald wrote, "The test of a first-rate intelligence is the ability to hold two opposing ideas in mind at the same time and still retain the ability to function." NASA managers could not do this.

**Second Insight** - Practice what you will do in a staged emergency. Practice again and again. This practice uncovers flaws in your thinking and your reactions that you can improve. When the Alfred P. Murrah Federal Building in Oklahoma City was bombed in 1995 killing 168, over twenty emergency services responded from the area; fire departments, police departments, civil defense, emergency rescue, ambulance services and hospitals. They all reported seamless coordination during this unprecedented emergency. Most attributed the superb teamwork across some twenty organizations to a regional practice disaster they had participated in a year before. The practice disaster was a high level tornado. Even though the wide swath of destruction from a tornado and the concentrated blast from a bombing were not alike, the emergency crews learned three valuable lessons that enabled their successful communication in the Murrah bombing. First, which radio frequencies were used by which operators. Second, who needed different types of radios to plug into the communication net. And lastly, they built bridges of friendship and trust across the services by working face to face on a practice disaster.

Fire drills, particularly if they are mandatory and unexpected, can dramatically reduce fear, should the worst come to pass. Just knowing where the stairs are gives your brain an advantage. Likewise, research into plane crashes has found that people who read the safety briefing cards are more likely to survive. These rituals that we consider an utter waste of time actually give our brains a blueprint in the unlikely event that we need them. In a panic, we lose our rational capacities; we respond in fear. Only through practice can we imprint the right things to do, even when they seem wrong! An estimated 60% of the employees in a disaster tried to help in some way, either by directing guests to safety or fighting the fire. By comparison, only 17% of the guests helped.

Each of us has a "disaster personality," a state of being that takes over in a crisis. It is at the core of who we are as humans. The fact is we can refine that personality and teach our brains to work more quickly, maybe even more wisely. Where are the stairs in our skyscraper?

**Third Insight** - People freeze in disasters. It is part of our disaster personality. Disasters

immobilize bystanders. Look at the crowds just standing around an accident victim. They are largely paralyzed. The panic which the movies show in any disaster is rarely or ever the response of a crowd in an emergency. Just as your body injures you to pain in the midst of a game or combat, your mind shuts down as if to shield you from the fear in an emergency.

**Fourth Insight** - Almost everything in a disaster is different than you might expect or than Hollywood has trained you to expect.

## Club Disasters

Every day, there is a surprised club owner confronted by the press asking tough questions: "How could a lifeguarded pool have a drowned person in it for two days?" "Don't you have an emergency plan if someone is stuck to the bottom of your spa?" "Is everyone of your staff CPR certified?" "Do you screen all employees for sexual offences?" Without practice, panic and self protection jump to the forefront, and we hide and then respond, "No Comment," or give platitudes and avoid the press. Smart business people, politicians and priests all panic and protect. This prevents good responses to any sort of disaster or crises.

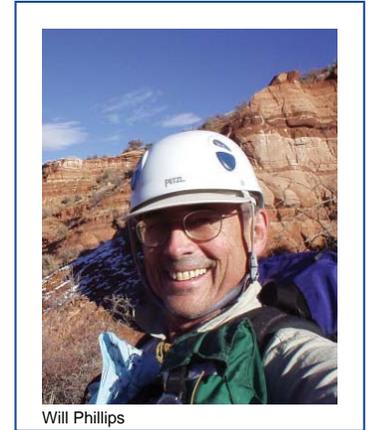
Then, there are storms, fires, floods, fallen roofs, broken pipes and even suicides and murders in clubs. How do you prevent these disasters from wounding or killing your business?

Successfully responding to a disaster requires you and your staff to address all the above four insights. The heart of disaster preparation is the same for firemen, EMTs, soldiers and businesses. The common method is to stage disasters as surprises and respond, then debrief and learn and prepare and do it again, frequently.

## A Stunning Example

Rick Rescorla was head of security for Morgan Stanley Dean Witter at the World Trade Center. Morgan Stanley, occupied 22 floors of Tower 2. Rescorla felt it was foolish to rely on first responders to save his employees. Morgan Stanley's employees would need to take care of one another. He ordered them not to listen to any instructions from the Port Authority in a real emergency. He trained employees to meet in the hallway between the stairwells and go down the stairs, two by two.

Each drill pulled brokers from their phones and cost the company money, but Rescorla did it anyway. His military training had taught him a simple rule of human nature, *the best way to get the brain to perform under extreme stress is to*



Will Phillips

*repeatedly run it through rehearsal.*

He timed them with a stopwatch, and they got faster. He trained everyone that roof rescues are rare and extremely dangerous; people should always go down. Some people in other companies remembered that victims had been evacuated from the roof in 1993. So, they used the last minutes of their lives to climb to the top of the towers, only to find the doors locked.

On 9/11, after the disaster began, a Port Authority official came over the P.A. system and urged people to stay at their desks. Rescorla grabbed his bullhorn, walkie-talkie and cell phone and began systematically ordering Morgan Stanley employees to get out. They performed beautifully, as practiced.

"Knowing where to go was the most important thing because your brain just shuts down. When that happens, you need to know what to do next says Bill McMahon, a Morgan Stanley executive. One thing you don't ever want to do is to have to think in a disaster.

As Rescorla stood directing people down the stairwell on the 44th floor, the second plane hit, this time striking about 38 floors above his head. He knew the brain responded poorly to fear, but he also knew it could be distracted. Now, in the crowded stairwell, Rescorla began singing into the bullhorn.

When he had successfully evacuated the vast majority of Morgan Stanley employees, he turned around. He was last seen on the 10th floor. When the tower collapsed, only 13 Morgan Stanley colleagues, including Rescorla and four of his security officers, were inside. The other 2,687 were safe.

Successfully responding to a disaster requires you to stage disasters as surprises, respond, then debrief and learn and prepare to do it again, frequently.

(See Will Phillips Page 21)

## Industry Veterans Align to Form Instant Force in Fitness: FIT Brands

**COLUMBUS, GA** - A trio of fitness industry veterans have come together to form an elite entity that instantly becomes a force in the field.

Joel Tallman, the 25-plus year fitness industry veteran who most recently served as a top executive with Gold's Gym International, along with Charlie Lindsey and Tim Goodwin, long-time health club owners, operators and consultants, are combining their talents, experience and know-how to create FIT Brands, a collection of complementary fitness concepts put together to create a synergy that affords members, owners and associates unmatched opportunity.

"You don't get many chances like this in life," said Tallman, who has also owned and operated clubs in the past. "I can't say enough about what it means to me to partner with Charlie and Tim, two true professionals who are passionate about what they do. They have been at the

forefront of our industry for many years."

In addition to the innovative leadership, Fit Brands' strength lies in the parts that form its core. The FIT Brands umbrella consists of a collection of breakthrough and well-established concepts, which include:

**Max Fitness:** An emerging brand that is comprised of a flagship prototype club as well as Elite and Express variations. There are currently nine Max Fitness clubs in operation, including gyms in South Texas; Columbus, Georgia; Auburn, Alabama and Baton Rouge, Louisiana. FIT Brands is in the process of developing additional Max Fitness clubs and converting others to the new brand. Company projections forecast more than 200 Max Fitness, Max Fitness Elite and Max Fitness Express gyms will open and operate within the next two years.

**American Club Systems (ACS):** ACS is

widely recognized throughout the fitness industry for its reputation of developing high-quality clubs and assisting gym owners with ongoing operations, training and marketing. Goodwin and Lindsey launched ACS more than 20 years ago to help club owners become profitable and remain on the cutting edge of the fitness industry.

**Club Administrative Services (CAS):** Lindsey and Goodwin created CAS to provide billing and collection services specifically designed for fitness clubs.

"This is just the beginning of what we see as a tremendous opportunity to align new industry innovators with companies that have set their roots deep in fitness," said Lindsey. "We're bringing it all together under FIT Brands to ensure we consistently provide the highest quality results for our clients, whether that's helping our members reach their potential

or our business customers meet their goals."

"We're in a unique position. You wouldn't consider us a start-up because we've been running some of FIT Brands' businesses successfully for more than 20 years," added Goodwin. "At the same time, we are nimble enough to bring the right fit into the family as we grow our collection of fitness focused companies."

FIT Brands has named Joel Tallman President. His previous experience includes leading franchising, licensing, vendor relations, franchisee education and training, operations and business development with Gold's Gym International, the Dallas, Texas-based company.

"Joel is FIT Brands' driving force," noted Lindsey. "He's a visionary who is at once creative and pragmatic. In our world, where operations and constant innovation come together every day, that's a delicate balance and Joel does it like nobody else in the industry."

## IHRSA Applauds Introduction of Federal Legislation to Improve Employee Wellness by Promoting Physical Activity in the Workplace

**BOSTON, MA** - The International Health, Racquet and Sportsclub Association (IHRSA) strongly supports the Workforce Health Improvement Program (WHIP) Act introduced by Senator John Cornyn (R-TX) and Senator Tom Harkin (D-IA). This important legislation is a significant step toward promoting primary prevention and will provide American businesses and their employees with the support they need to improve wellness in the workplace. Employee health affects quality of life for the individual, business profitability and the U.S. economy.

The WHIP Act takes a significant step in removing barriers to wellness in the workplace. Under current tax law,

businesses small and large are permitted to deduct the cost of onsite exercise facilities, and employees are not taxed on the benefit. However, if an employer provides this same benefit at an offsite facility, employees who take advantage of the benefit must pay income tax on the value of the subsidy, a requirement in direct contradiction to the goal of promoting healthful activity in the workplace. The WHIP Act would eliminate this inequity, reaffirming employers' right to deduct the cost of providing offsite health club or gym benefits and preventing this wellness benefit from being considered additional income for employees.

"IHRSA commends Senator Cornyn and Senator Harkin for their

admirable leadership and foresight in seeing how wellness in the workplace is a bipartisan issue that translates into a stronger U.S. economy," said Joe Moore, President and CEO of IHRSA. "By keeping workers healthy, we control the cost of health care, increase productivity and bolster the ability of America's businesses to compete in a global economy. Undoubtedly, primary prevention, supported by legislation like the WHIP Act and other public policy endeavors, is the most cost-effective means of securing the future health and prosperity of America."

Moore also noted that the WHIP Act would have a particularly positive effect on America's small businesses,

which frequently struggle to afford benefits that allow them to attract and retain quality, loyal employees. Small businesses are the underpinning of the U.S. economy and are an important source of job growth in the United States. In fact, small firms have generated 64 percent of net new jobs over the past 15 years; represent 99.7 percent of all employer firms; create more than 50 percent of the nonfarm private gross domestic product (GDP); employ just over half of all private sector workers; pay 44 percent of the total U.S. private payroll and are hot spots for innovation.

The concept of workplace wellness is so central to the national (See *IHRSA Page 23*)

### ... Will Phillips

continued from page 20

#### 5 Ways to Improve your "Disaster Personality"

**1. Attitude:** A belief that you can influence events. Find meaningful purpose in life's turmoil and a conviction that you can learn from positive and negative experiences.

**2. Knowledge:** A small amount of information can help us help. For instance, serious plane accidents are survivable. Between 1983 and 2000, 56 % survived. Do not give up!

**3. Anxiety Level:** Generally high

anxiety levels tend to overreact to extreme stress. Learn ways to control your anxiety, like controlled, rhythmic breathing, it can keep anxiety under control. Practice it in small emergencies, and don't forget to sing or whistle!

**4. Body Weight:** On 9/11, people with low physical abilities were three times as likely to be hurt while evacuating the Towers. Get in shape!

**5. Training:** The best way to improve performance is to practice. Consider what you are most afraid of (or, even better, which risks are most statistically relevant to you). If you work in a skyscraper, go into the stairway on a regular basis. Walk down

to the ground a few times a year. If you live in a hurricane alley, pack a suitcase and make a plan for evacuating your family. It could make a difference.

#### Resources:

For a list of disasters to prepare for, email [Will@RexRoundtables.com](mailto:Will@RexRoundtables.com) with Disaster List in the subject line.

Thanks to an article by Amanda Ripley, Time, June 9th, 2008, for the Rick Rescorla story and the Five Ways.

*Prepare for the Worst, Plan for the Best: Disaster Preparedness and Recovery for Small Businesses* 2006 by Donna

R. Childs. An excellent book to get you thinking about preparing for disasters.

*IT Disaster Recovery Planning For Dummies* by Peter Gregory. A typically well organized *Dummies Guide* focusing on IT disasters.

*Debriefing - Can You Learn?* by Will Phillips at [www.REXRoundtables.com](http://www.REXRoundtables.com) under Management Briefings.

(Will Phillips is the President of Roundtables for Executives (REX) and may be reached by email at [Will@RexRoundtables.com](mailto:Will@RexRoundtables.com))

# Give Back and Get Ready!

**By: Chris Russo**

There are just two months until Christmas and the New Year, the most important time of the year in this industry. It's time to prepare, know your plan and make sure you are ready.

One of the things I love most about the fitness industry is how so many clubs give back, whether it's time or fundraising to supporting local and national charities. The period leading into the holiday season is the perfect time to do your part and tap your member base to help spread hope and goodwill in your community. It is also the time to make sure you are ready for the insanity that comes with a New Year!

As the fall season begins winding down, it doesn't mean you stop marketing or stop making money until January. Here are a few ideas you can implement to keep the phone ringing and door swinging:

**Charity Drives** - Food drives, Coats for Kids, Toys for Tots and other events build goodwill amongst your staff and members while allowing prospects to give and get at the same time. You have three options; time, money or stuff! Utilizing what you have to offer, such as programming, profit centers or adding time when prospects join, you can incentivize them and a win-win-win for the charity, the prospect and you. By avoiding discounting, you also protect your price integrity. Write a press release and send it to your local media outlets, put some posters up around the club, run ads in the papers and utilize social media to spread the word! If your budget permits, a flyer or newsletter can also tell a more complete story outlining all the things you are doing at the club and should be sent to prospects, members and former members.

November and December can be very profitable months for you and the residual effects of press coverage and goodwill can last much longer.

**Member Appreciation** - Say thank you to the people who keep you in business. Whether you decide to hold an open house or a party, give it plenty of time so people can plan their busy holiday schedules. One of the most important things to keep in mind is to make it special and have fun. A few balloons and a table in the corner won't cut it. Member and staff awards, food, beverages and the opportunity for members to bring in their friends can make the difference between good and great.

**Holiday Offers** - The two most underutilized tools most clubs have available are gift certificates and putting together holiday gift bags. Most of you offer them, while few of you promote them! Members are always looking for a great little gift and these can fit the bill perfectly. We had a client go from \$2,000 to \$20,000 year over year in gift certificate sales with a little promotion and preparation! You can do the same with gift bags. Make a variety with different values. Fill them up with cool stuff from the club including short-term trials, shirts, smoothie coupons and items from your other profit centers. Decorate, promote and watch them sell like crazy!

These ideas can be combined, or pick one and run with it. Again, leave enough time and make sure you have everything ready to launch as soon as you get back from Thanksgiving!

And while all this fun is going on, don't forget that your biggest month of the year, January, is right around the corner!

That means the sooner you start preparing, the more enjoyable your holidays are going to be as well.

There are no hard and fast rules to January and your New Year marketing anymore, but you need to make sure you are prepared, visible and top-of-mind in your market. Your best bet is to have January and February planned by early December so you can manage your team and lead flow.

Direct mail, newspaper inserts, television and radio all need a few weeks to book, schedule and prepare. Sending out just one big marketing blast at the beginning of the month doesn't work. Once you set your budget, you can then look at the variety of tools that will get your message out to the most people and deliver the best results and ROI in your area. The goal is to be prepared so that, by the time you hit mid-month, you can keep the momentum going and not skip a beat.

One of the most common questions we get asked concerns offers. You can bet someone in your area is going to be running "Join now for \$20.12!" which is about the oldest, most overused promotion around. Don't discount, but instead, add value! Introduce prospects to your profit centers through incentives and utilize member testimonials to tell your story. People want results, and they are coming to you to get them. Cut through the clutter and spread your message, your mission, which is why you are there. Offer a money-back guarantee if you have one, but DO NOT promote a trial membership! Prospects are ready to join, and the vast majority of clubs are too busy and do not have a system strong enough to track prospects through and convert them into members.

All those new members are prime



Chris Russo

candidates for a referral promotion during the month of February. Having it done, scheduled and ready to launch 4 - 6 weeks out will not only save you time and money but will also allow you to budget properly and ensure it hits when you want.

There are literally hundreds of vehicles you can use to get your marketing message out to your audiences. The two key elements to marketing success are setting a budget that is large enough to actually make an impact in your market and putting together a plan that utilizes several different tools to maximize impact. So, set aside some time, talk to your marketing professionals and commit to finishing 2011 strong and starting 2012 prepared!

*(Chris Russo is Head Marketing Coach of Susan K. Bailey Advertising, an agency with over 25 years' experience in the fitness industry. Visit them at [www.clubads.com](http://www.clubads.com) or call 888-349-4594 to speak with one of their Marketing Coaches.)*

## Crunch Fitness Inks Deal to Open 30 Franchises in New Jersey

**NEW YORK, NY** - In its first year, Crunch Fitness Franchise, known for making Crunch's innovative classes and No Judgments philosophy available and affordable to gym-goers across the country, has opened 12 locations throughout the United States and Australia and has inked deals to open an additional 100 clubs throughout the United States and beyond. The largest and most recent agreement has come via a partnership with retail development mogul, Dennis Cieri, who plans to open 30 franchise locations throughout Northern New Jersey.

"We couldn't be happier with the achievements and success we've seen in

our first year of business, especially the recent partnership with Dennis Cieri and his team," said Ben Midgley, President of Crunch Franchise. "We have a great team of franchisees, making it clear that industry leaders and experienced entrepreneurs see the value and potential in the Crunch brand and are excited to share it with fitness enthusiasts around the globe."

Cieri has been in the retail and franchise arena for over two decades. He is the founding partner of EDEN Property Company, a development company based in Rutherford, N.J. EDEN has successfully opened dozens of retail shopping centers and free standing Walgreens throughout the

Northern New Jersey marketplace. Cieri is also a founding partner of Heartland Restaurant Group, LLC, which signed the largest deal in franchise history in 2007 to build and operate 105 Dunkin Donuts Restaurants in the greater Pittsburgh, PA area. Cieri has extensive experience in the fitness industry as well; he is the President and Founder of SSP Nutrition, Inc., a boutique performance nutrition company and the founding partner of The Fitness Factory Group, which owns and operates three health clubs in Northern New Jersey.

"I've been in the entrepreneurial and franchising industry for a very long time, but I've never been this excited

about a brand," said Dennis Cieri, Crunch Franchise owner. "Crunch's No Judgments philosophy and unique fusion of fitness and entertainment reaches an expansive audience, and I can't wait to tap into this unique entity."

Cieri looks to open the 30 clubs in Northern New Jersey, specifically in Middlesex, Union, Essex, Hudson, Bergen, Passaic and Morris counties. Crunch currently has franchise locations in Portland, OR; Sacramento, CA; Orange County, CA; San Diego, CA; Wayne, N.J.; Norwalk, CT; Naples, FL and Sydney, Australia and has over 100 new clubs set to open.



*...IHRSA*  
continued from page 21

discussion on how to address the spiraling cost of health care in America that it is codified in the nation's first-ever National Physical Activity Plan. The Plan specifically calls on America's CEOs to sign the "CEO Pledge," a written commitment to improve employee health and wellness by producing opportunities and resources for physical activity before, during, or after the workday (See **Press Release on Page #6**).

"The WHIP Act will help America's businesses build a strong employee base," Moore continued. "Since many employers do not have the resources or office space to offer onsite exercise rooms and fitness programs, the WHIP Act makes it easier for all employers to offer health-promoting exercise incentives to their workers without any tax complications. The introduction of the WHIP Act makes it clear that both Senator Cornyn and Senator Harkin are champions of primary prevention and that they are truly committed to improving the health of all Americans."

# THE AVERAGE PERSON IS TARGETED WITH BETWEEN 400-3000 MARKETING MESSAGES A DAY!

Your marketing needs to cut through this clutter and immediately register with your prospect. Susan K. Bailey Advertising can help. We are the fitness industry's leading marketing company and will help you change your business and your life.



888.349.4594  
clubads.com  
Scan me to find us on



Make a commitment to build your brand and spread your message and you will **see results** that will drive traffic, increase sales and **make you money!** Marketing is only expensive if it doesn't work, so stop letting others make these decisions for you - take control!

*Or, stick your head back in the sand and hope your competitors don't read this and beat you to the punch!*

**Make It Fun!**



# #!%@&?!

## Still swearing at your software?



Don't swear at it...swear *by* it.

Customers swear by our all-in-one club management software to manage:

- Member Information
- Scheduling
- Billing
- Integrated Payment Processing
- Point of Sale Purchases
- Reporting
- Commission Tracking
- 24-Hour Door Access

Easy to learn and use, plus:

- No Contract
- Unlimited Free Training
- Unlimited Technical Support
- Free Automatic Upgrades

**(866) 532-9588**  
 sales@igofigure.com  
 skype: gofiguresales  
 igofigure.com



Membership & Business  
 Management Software

## NBC's *The Biggest Loser* Kicks Off Another Season With Iron Grip Free Weights

**ORANGE COUNTY, CA** - The new fall season of NBC's *The Biggest Loser* may feature new contestants, new trainers and new challenges, but it will still have Iron Grip's premium urethane Olympic weight plates, urethane dumbbells and Olympic bars in the show's gym at "The Ranch."

"We've been a part of *The Biggest Loser* for nearly every season since its inception," said Michael Rojas, President of Iron Grip Barbell Company. "NBC's *The Biggest Loser* is one of the most successful shows on television, and it makes sense that they would partner with

Iron Grip, the largest free weight company in the industry.

Top fitness expert, Dolvett Quince, and tennis star and certified trainer, Anna Kournikova, are new to the show this season. They will join *Biggest Loser* veteran Bob Harper in training 15

contestants competing in a "Battle of the Ages" that will group contestants by age for the first time ever in the history of the show.

*The Biggest Loser* airs on Tuesdays at 8PM (EST) on NBC.

## XSport Fitness Continues Its Rapid Growth Throughout Chicago, New York and Washington D.C. By Opening New Locations and Offering a New \$9.95 Price Point

**BIG ROCK, IL** - XSport Fitness continues to expand its brand throughout the Chicagoland, New York and Washington D. C., areas by adding five new facilities, which represents a 20% unit growth rate. Additionally, XSport is initiating a new price point for its XSport Fitness Express model that meets the needs of budget conscious consumers that have a desire to join a fitness facility.

**Adding Locations** - By June of 2012, XSport Fitness will have 32 facilities. This includes three new full-service facilities in Fairfax, VA (40,000 square feet); Massapequa, NY (45,000 square feet) and Skokie, IL (60,000 square feet). Additionally, XSport is

opening two more XSport Fitness Express locations in Crestwood, IL (20,000 square feet) and another Chicago location at Irving Park and Central (20,000 square feet).

**New Price Point** - In order to better serve the entire community's needs and budgets, XSport Fitness has announced an exciting new price point. The new XSport Fitness Express facilities will feature a Basic Membership at \$9.95 per month that includes unlimited access to our state-of-the-art equipment and facilities. They will also offer a Premium Membership at \$19.95 per month that includes a variety of unexpected add-ons, such as group exercise, spa services, Unlimited Guest Privileges

and free child care.

**Facility Offerings** - XSport Fitness continues to meet the needs of a full spectrum of fitness enthusiasts by offering two types of facilities:

• **XSport Fitness clubs:** These are full-service facilities which range in size from 45,000 to 60,000 square feet featuring state-of-the-art cardio equipment with personal flat screen televisions, 300 strength training machines, extensive free weight areas, two group exercise studios, a 4-lane lap pool, a luxurious whirlpool, sauna and steam rooms, basketball courts, rock climbing walls, full service spas, personal training, fitness

assessments, 20 tanning rooms with cutting-edge equipment, including an ultraviolet-free tanning system, child care center, internet café, pro shop and free parking.

• **XSport Fitness Express clubs:** These clubs have smaller footprints and serve a variety of markets. These facilities range in size from 16,000 - 25,000 square feet. They are built with the same luxury finishes and appointments as the larger clubs and offer the same state-of-the-art fitness equipment. The XSport Fitness Express clubs also offer various amenities such as group exercise rooms, massage, tanning, unlimited guest privileges and free child play services, all at a lower price point.

TO US, QUALITY WILL NEVER  
BE A FOREIGN CONCEPT.



That's why we manufacture every Iron Grip product in the USA. Other free weights are manufactured overseas, which means you can't be sure what they're made with. Or how they're made. Or when they'll arrive. With Iron Grip, we establish the standards, we use the best materials and production processes, and we oversee the production. When you choose Iron Grip, you know what you're getting, and when you're getting it. For more information, call 800-664-4766 or visit us at [www.irongrip.com](http://www.irongrip.com).



**IRON GRIP**  
BARBELL COMPANY

# Does a “Green” Design Equal More Profits?

**By: Bruce Carter**

Being eco-friendly is the practice of making educated choices that result in less damage to the environment while using fewer resources. Going green seems like an obvious focus for any health club owner, especially since the business is all about being healthier. The sustainability movement can be incorporated in various parts of a club, including a club's design.

The formula is simple. Energy savings resulting from better building design (proper insulation, glass and materials), more efficient mechanical systems (proper heating, ventilation, air conditioning and water-saving plumbing fixtures) and lighting efficiency will reduce a club's operating costs. Often, the more efficient design and mechanical systems cost more upfront, but those costs will eventually be recouped through savings in utility costs and operating expenses and through increased sales as a club's eco-friendly image attracts more members.

Still, you'll have to pay for these higher costs upfront, which begs the question: Can the additional costs to become more eco-friendly be passed on to the consumer in higher dues?

Some people are willing to pay more to be a member at a green club, but probably more than half of the

marketplace is not willing to pay higher dues for this. If a club owner planning a major renovation surveyed members to see if they preferred that the renovation have a strong emphasis on going green, I think the majority of members would say yes. However, if the club owner asked if members would be willing to pay \$4 more per month to pay for such a club, I think you'd see a substantial drop in favorable responses. Generally, people are all for going green, but they expect someone else pay for it, such as the club owner paying for it from the club's profits.

Regardless of how you pay for becoming greener, you must first decide whether to move in this direction with your design. Doing so shouldn't be a quick decision. Facility operators must do some research, compare ways of operating, consider upfront expenses and calculate long-term savings before making this decision. For any choice to be good for a business, it usually comes down to the old adage, “no margin, no mission.” Wanting to do good for the planet is a wonderful part of a business mission. However, no matter what the apparent positives are, if a choice does not eventually result in adequate profit margins, then a business will no longer exist and any desire to do good goes down with the ship. Therefore, the cost of going green has to properly

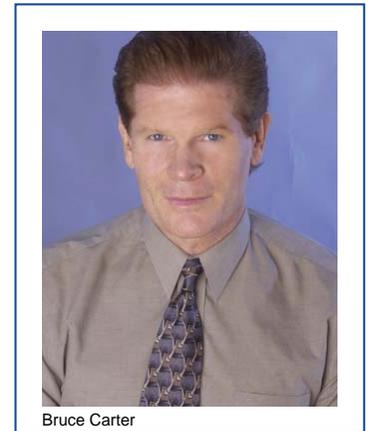
relate to profits, directly or indirectly, but should be able to be measured to some degree. That's especially important since the projected savings sometimes do not amount to what was expected, thereby delaying a breakeven point.

The good news is that many inexpensive ways exist to be eco-friendly and not all of them are more expensive than less environmentally friendly materials and products. Eco-friendly materials that are specified the most by designers are flooring, wall coverings, furniture, paint and lighting.

For example, some popular “green” choices are low or zero VOC paint that emits lower toxins, recycled glass, rubber and solution dyed carpet containing industrial recycled content. Other smart options include recycled bins for paper only and plastic and aluminum only, switching from incandescent to fluorescent bulbs and installing low-flow toilets and shower heads.

When you decide to become more eco-friendly, make sure to get some public relations coverage. Evolve Fitness, a “green club” recently opened in Cambridge, MA, near Harvard University and MIT, has received extensive media coverage because of the steps the facility took to be eco-friendly.

Increased energy costs and a



Bruce Carter

growing focus on living sustainably will force more businesses to go green. Working with a well thought out “eco-friendly” business plan, clubs can best take advantage of this movement. Since clubs are all about better health for individuals, it only makes sense they would also be for bettering the health of the planet.

*(Bruce Carter is the President of Optimal Design Systems International. He can be reached by phone at 954-888-5960 or email at [bruce@optimaldsi.com](mailto:bruce@optimaldsi.com). For more information, go to [www.optimaldsi.com](http://www.optimaldsi.com).)*

OPTIMAL DESIGN  
 SYSTEMS INTERNATIONAL

One of the World's Leading Design Firms in the Fitness Industry

**Interior Design + Renovations + Consulting**

**Better Design • More Excitement • More Profit!**

Optimal design is known for “profit designing”. We have the ability to create beautiful and exciting, award winning facilities that increase sales and retention, yet are inexpensive to build. This results in more revenue, less debt and therefore more profits. We have created approximately \$500 million dollars worth of facilities in 45 states and 25 countries. Our experience results in the best possible design, stimulating décor and increased profits for your new club or renovation.



Bruce Carter  
[bruce@optimaldsi.com](mailto:bruce@optimaldsi.com)

[optimaldsi.com](http://optimaldsi.com)

Tel: (954) 888-5960  
 Fax: (954) 888-5961

## Tony Torre Hired as National Sales Director of Visual Fitness Planner

**FORT WORTH, TX** - Tony Torre has joined Visual Fitness Planner as National Sales Director, announced Visual Fitness Planner President/CEO, Daron Allen, and Founder, Mario Bravomalo. The Visual Fitness Planner is a completely customized technology platform, creating a unique, visually powerful and successful sales and retention process for facilities in the health and fitness club industry. Currently, the Visual Fitness Planner is serving 1,000+ clubs around the world.

"Tony is a man with integrity and not afraid to step up and take charge," said Allen, "and his mission fits ours perfectly. Tony has an undeniable passion for the health club industry, club operators and front line teams. In addition to his vast club level experience, his proven ability to conceptualize a vision and create a marketplace presence will help VFP clubs maximize their ability to sell memberships and grow ancillary revenue streams. With his experience, Tony will bring

tremendous industry-specific expertise that club operators can count on to improve their business."

Before joining VFP, Torre was the National Sales Manager for dotFIT worldwide, developing new business and servicing hundreds of accounts across the nation. This instant success helped launch dotFIT as one of the premier leaders in the industry. "Over the past few years, we have watched Torre lead with style, professionalism and finesse in a highly competitive industry," added Allen.

Prior to heading to dotFIT, Torre

was the North East Regional Manager for 24 Hour Fitness/Apex Fitness. His leadership helped launch and integrate their services, such as the bodybugg, with hundreds of health clubs, while selling and servicing many of the top 100 health club owners and educating trainers across the nation.

Torre's career in fitness started when he was a teenager as a sales consultant for a Multiple Gold's Gym chain in the NYC metro area. He matured with that corporation, evolving into a regional Vice President for the facilities, and eventually, a hands-on owner and operator.

## Malibu Tanning Salon For Sale By Owner In Clearwater, Florida

### Turn-key 1,500 Square-foot Malibu Tanning Salon Includes:

- 6 Tanning Beds
- 2 Standup Units
- Furniture
- Fixtures
- Washer/Dryer
- Fridge
- Computer
- Copy, Fax & Printer
- Website ([www.mymalibutanning.com](http://www.mymalibutanning.com))
- Facebook Page
- 5000-Record Client Database

**All Inclusive Price**

**\$49,999**

**Please Contact Whitney Mills**

**(727) 709 - 0286**



## New Affordable Care Act Initiative Helps Create Healthier Communities, Fight Chronic Disease

**WASHINGTON, D.C.** - The U.S. Department of Health and Human Services (HHS) announced grants to 61 states and communities with over 120 million residents to fight chronic disease, which is the leading cause of death in Americans. Created by the Affordable Care Act, Community Transformation Grants help states and communities tackle the root causes of chronic disease such as smoking, poor diet and lack of physical activity. Grantees will use these funds, which total more than \$103 million, to transform where their residents live, work, play and go to school so that they can lead healthier, more productive lives.

Chronic diseases are responsible for 75 percent of health care costs in the United States. The root causes of chronic disease are often related to economic, social and physical factors such as tobacco use or a lack of places to exercise. The Community Transformation Grants awarded today will help states and communities address these challenges by supporting prevention programs proven to make a positive impact on health.

"Good health begins at home and in our own communities. The Affordable Care Act is empowering Americans across the country to truly transform their communities by investing in programs that make us all healthier," said HHS Secretary Kathleen Sebelius. "These grants will offer communities the opportunity to both improve Americans' health and control health care spending by avoiding costly, chronic diseases in the first place."

All grantees will work to address the following priority areas: (1) Tobacco-free living; (2) Active living and healthy eating; and (3) quality clinical and other preventive services, specifically prevention and control of high blood pressure and high cholesterol. Grantees may also focus on creating healthy and safe environments. Grantees will have an additional focus on reducing health disparities since, in addition to lacking access to the health care

they need. Many lower-income Americans, racial and ethnic minorities and other underserved populations often have higher rates of disease.

Grantee activities include:

**Implementation** - Thirty-five grantees will implement proven interventions to help improve health and wellness. Funding amounts range from \$500,000 to \$10 million depending on population size and scope of project.

**Capacity Building** - Twenty-six grantees will work to build capacity by laying a solid foundation for sustainable community prevention efforts. Funding amounts range from \$147,000 to \$500,000 depending on population size and scope of project.

Awards are distributed among state and local government agencies, tribes and territories and non-profit organizations. Awards went to grantees in 36 states, including seven tribal organizations and one territory. These grants are expected to run for five years.

"Chronic diseases, such as heart disease, cancer, stroke and diabetes, are taking a devastating toll on America's health," said Thomas Frieden, MD, MPH, Director of the Centers for Disease Control and Prevention, which will administer the grants. "This initiative will build on successful programs that have helped people lead healthier lives and will enable communities and states to improve the healthy choices for their residents."

Earlier this month, HHS announced awards to seven national networks of community-based organizations that will help support, disseminate and amplify the work done in Community Transformation Grant states and communities. The networks will engage community members in identifying solutions to improve health using community-based prevention strategies that work and can be models for other locations.

# Life Fitness and The American Council On Exercise Name America's Top Personal Trainer To Watch

**SCHILLER PARK, IL** - Life Fitness, the global leader in commercial fitness equipment manufacturing and the American Council on Exercise (ACE), America's leading authority on fitness and the largest non-profit fitness certification, education and training organization in the world, have named Nicole Nichols as America's top *Personal Trainer to Watch*. Nichols was selected after a six-month, nationwide competition that also recognized ten other finalists from around the country. An ACE-certified personal trainer, Nichols is currently the Fitness Expert and Managing Editor at **SparkPeople.com**, a healthy lifestyle website with 11 million members that provides nutrition, health and fitness tools at no cost.

"This award recognizes personal trainers who have demonstrated a significant commitment to fitness and in helping their clients achieve a lasting lifestyle change," said Chris Clawson, President of Life Fitness. "We are especially thrilled to recognize this group of hard-working personal trainers who embody Life Fitness' core values, and we look forward to continuing this important recognition program for years to come."

"Nicole and the ten talented finalists were chosen because they consistently go above and beyond for their clients and make significant strides in their communities to increase physical activity," said Scott Goudeseune, CEO of ACE. "As role models, they exemplify ACE's quality standards for fitness education, and we are pleased to congratulate them and look

forward to our continued work together in the fight against the obesity epidemic."

"I am beyond honored and grateful to be recognized by these two outstanding organizations and to be in the company of the world-class trainers also honored," said Nichols, 29, from Cincinnati, Ohio. "I'm delighted by Life Fitness and ACE's underlying affirmation of the online medium as a powerful tool to improve the health and lives of people through fitness. Maintaining a fit and healthy lifestyle and helping people achieve their personal fitness goals always have been my passions, and I feel incredibly fortunate to be pursuing them in a profession that does so much good for so many."

Nichols, who started her career as a personal trainer eight years ago, has designed and taught health programs on eating disorders, body image, self-acceptance and strength training for women, exercise for seniors and prenatal exercise. In addition, she has created more than 50 free workout videos, which have been viewed more than 15 million times on YouTube.

In addition to being named Life Fitness and ACE's *Personal Trainer to Watch*, Nichols also took the top spot in a Fan Favorite competition on Facebook, receiving more than 3,500 votes among 40 semi-finalists.

The *Personal Trainers to Watch* program was created to recognize personal trainers nationwide who have demonstrated a growing commitment to fitness and to helping their clients achieve



(L to R) Chris Clawson (President, Life Fitness), Nicole Nichols (Grand Prize Winner) and Deborah Plitt (Master Trainer, Life Fitness Academy)

a lasting lifestyle change through educating and encouraging people to make physical activity an integral part of their everyday lives. Program entrants were evaluated on motivational technique, community service and fitness accomplishments.

In addition to receiving the award at a special recognition ceremony at the 26th annual Club Industry Show in Chicago on October 14th, Nichols won a \$5,000 check, Life Fitness equipment and an ACE Lifestyle and Weight Management Coach certification package.

## Personal Trainers to Watch Finalists

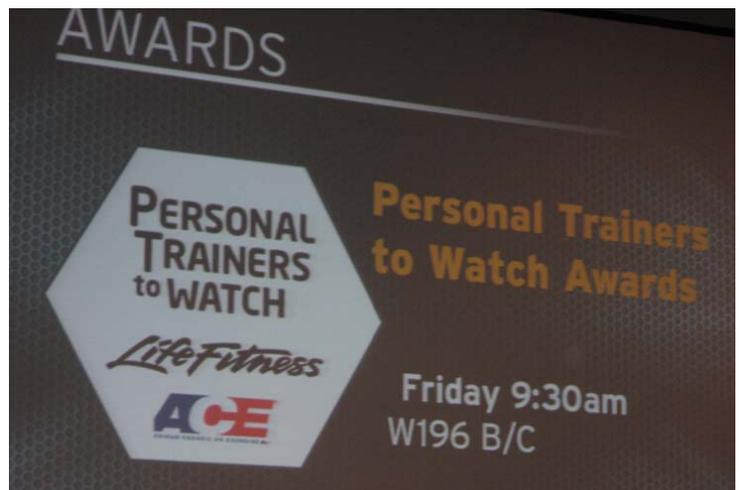
Ten finalists were also selected along with Nichols by an elite panel of industry influencers. The finalists include:

- Kathy Ekdahl - Hudson, MA;
- Carol Michaels - Short Hills, NJ;
- Mike Koskiniemi - Marquette, MI;
- Darren Pangle - Katy, TX;
- Irv Rubenstein - Nashville, TN;
- Collin Eugene Baldwin - Fayetteville, NC;
- Laura Acosta - Gainesville, FL;
- Linda M. Cook - Springboro, OH;
- Jessica Shutters - Kingsport, TN;
- Dominique Wakefield - Berrien Springs, MI.

"Personal trainers are the unsung heroes in America's ongoing battle to get and stay fit," said Life Fitness' Clawson. "Many times, they are the difference in a person's health and well-being. They help make great things happen, and they do it every day in clubs and gyms across America."



(L to R) Mike Koskiniemi, Laura Acosta, Chris Clawson (president, Life Fitness), Jessica Shutters, Linda M. Cook, Nicole Nichols and Deborah Plitt



# Listen To My Ideas!

**By: Misti Burmeister**

"Fifty percent of our employees will be eligible to retire in the next two years," said Peter, the CEO of a major utilities company. "I want to be sure we're doing what's necessary to keep our young employees and motivate the older ones to mentor them." Sound familiar? It's a troubling chorus that's echoing down company halls across the nation.

Peter approached me after a presentation I gave called *Getting Your Voice Heard, Across Generations* and asked about an all-inclusive, one-size-fits-all approach to rewarding employees, one that would motivate his staff to work harder and stay with the company longer. "We have the benefits package," he explained. "But, some employees care more about things like vacation or being able to telecommute."

I could have suggested several perks that appeal to workers of all generations, but the answer to Peter's problem, retention and fostering a culture of collaboration, wasn't as simple as that. Research shows that employees, young and seasoned, will work harder and stay with the company longer if they feel valued and trust their leaders. That's an investment that requires time, not money.

Want to motivate your team to give more, own responsibility for their career and care about the long-term success of your gym? Try these powerful

techniques I've witnessed the results from within dozens of industries and across levels and ages:

**Listen.** According to last October's issue of the *Harvard Business Review*, "Employees won't whole-heartedly participate in customer co-creation unless they're [given] the opportunity to design and manage their own work experience and to help identify and solve problems." Most employees want to help the company succeed. Yet, many leaders dismiss their ideas. This is a mistake on many levels. Not only do they have a fresh perspective that could add value, but making sure they feel heard will help build trust in you. Recently, I watched as Peter, a sales professional in the club industry, tried to explain how spending time with his current customers would drive more business than making cold calls. Without even a "How," Peter's idea was dismissed. I say, why not give his idea a chance, then track the metrics and see if it works.

**Trust.** "Just 47 percent [of employees] think their leaders are trustworthy," reports *Talent Management Magazine* (September 2010). Trust them and watch how they begin trusting you. What if their ideas are ridiculous and useless? Consider coaching them. Ask how they came to these conclusions, why they think these ideas will work and what additional research they could do to strengthen their arguments.

Doing so will show you care about their opinions and long-term success. Imagine the trust that could be built between Peter and his boss if Peter's ideas were listened to and he was held to commitments. Ultimately, results can be achieved in a variety of ways, and people (while they may not initially show it) appreciate being held to their word. An added bonus is you may start a trend. If other team members see you taking the time to mentor, it might inspire and foster a culture of trust.

**Care.** If you care about your people, they'll care about you and the vision you've set forth. Yet, "only 38 percent [of employees] think their leaders have a sincere interest in their well-being," according to *Talent Management Magazine*. Having coached dozens of executives, I've seen first-hand what employees will do for a boss who cares. Imagine... "Peter, your success matters to me. If you think you can reach your numbers by strengthening relationships with current members, go for it. Let me know how I can support you in reaching your goals." I don't know about you, but I'd surely work harder for someone who cared about my success and was willing to do whatever it took to help me grow and reach my financial goals.

Benefits and vacation packages are important, and other perks are certainly appreciated by most employees; however, donuts at the dreaded weekly sales call,



Misti Burmeister

bonuses and being a part of one of the hippest industries ever won't keep your talent on board if they're unhappy or in a position that does not play to their strengths. You'll never know if or why they're unhappy unless you listen.

*(Misti Burmeister, best-selling author of From Boomers to Bloggers: Success Strategies Across Generations & Hidden Heroes. Burmeister is a foremost authority on how leaders can win the talent war by harnessing the wisdom and enthusiasm of their teams to reduce turnover, fuel employee engagement and increase employee loyalty. Contact info@InspirionLLC.com or 240-401-4397)*

## Club Industry's 2011 Best of the Best Award Winners

**CHICAGO, IL** - Determination of what is "the best" in any area is often subjective. That does not stop people from lining up to offer their opinions, though, and that subjective nature does not make any winner less worthy.

This year's winners of *Club Industry's Best of the Best* awards have something special that stood out from the other entries, despite some stiff competition in each category. For some of the winners, it was their program's innovation, and for others, it was the number of lives they touched or the way they continue to follow participants even after the program ends.

The Best of the Best awards recognize the best programming at fitness facilities in the United States and provide concrete examples of programs that have proven successful results. The entries were rated by a group of judges from within the fitness industry. This year's panel included Karen Woodard-Chavez, President of

Premium Performance Training; Laurie Cingle, Owner of Laurie Cingle Consulting and Coaching; Sandy Coffman, President of Programming for Profit; Eddie Tock, Owner of Eddie Tock Consulting; Paula Neubert, General Manager, Greenwood Athletic and Tennis Club; Casey Conrad, Owner of Communication Consultants; Kelli Calabrese, Owner of Calabrese Consulting; Greg Maurer, Associate Partner of New Paradigm Partners; Joe Cirulli, Owner of Gainesville Health & Fitness Centers; Blair McHaney, Chief Executive Officer of Confluence Fitness Partners Inc; and Thomas Kulp, Chief Motivational Officer of Universal Athletic Club.

The judges ranked each program based on its goals, goal attainment, innovation, budgeting, member or nonmember participation, marketing, program effectiveness and the club's follow-up efforts.

### Club Industry's Best of the Best for 2011

#### Best Behavior Modification Program

Lindenhurst Health & Wellness Center of Northwestern Lake Forest Hospital, Lindenhurst, Illinois

#### Best Community-Based Program

Sparrow Michigan Athletic Club, East Lansing, Michigan

#### Best New Member Integration Program

BodyPlex Fitness Adventure, Chestnut Mountain, Georgia

#### Best Nonmember Program

LifeStart Wellness Network, Chicago, Illinois

# Programming Tip of the Month:

## Try Something Different

By: Sandy Coffman

My *Programming Tip of the Month* for October comes from a personal experience. We all know that people should cross train to get the most out of their fitness routines. We know that we should diversify our activities so that we don't get bored. We also know that we should constantly vary sets and reps, jogs and sprints and upper and lower body workouts so we keep our bodies challenged and our exercises productive. I think many of our members, including myself, get too comfortable with certain exercise routines, and we work out like robots doing the same things over and over on the same days and taking the same classes for months, even years, without trying something different. I'd like to challenge all of the clubs in the next few months to actively promote your members to *try something different*.

You must enthusiastically pro-

mote the idea that *trying something different* is fitness rewarding. Your staff will have to buy in to the concept and make some adjustments as they teach their classes and instruct their clients. You will find that it will be rewarding for your business as well.

Back to my personal experience. I enjoy walking and riding my bike regularly. I play tennis and golf for my recreational enjoyment, and I routinely do strength training exercises that I know are good for me. I somehow realized that I have neglected the mind and spirit of my fitness life. I decided to take a yoga class, to *try something different*. I've done yoga before, but not for a long time (Can some of you relate to that?). I not only enjoyed the new experience, but yoga has helped me enjoy all of my regular fitness activities even more. It has helped me round out the mind, body and spirit of my life in general. It has given balance

to my fitness regimen and new energy to my weekly routine. I have found that it is really fun to *do something different*.

Yoga is an ancient art based on developing the mind-body-spirit connection. Classes consist of various postures known as asanas. At the beginning, intermediate or advanced level, yoga improves respiratory, circulatory, digestive and hormonal systems of the body; strengthens, tones and restores muscle; and greatly increases flexibility and balance. As always, a passionate, empathetic, well-trained instructor will be key to keeping new members comfortable and experienced members challenged.

Yoga worked for me. It may work for many of your members too, but you have many other opportunities in your programming repertoire to *offer something different*. Try them.

Here are a few ideas to consider for your yoga program.

- **Yoga for relaxation** - This is used to calm the mind and restore a feeling of well-being. It focuses on back and neck problems and is excellent for the beginner or intermediate yoga participant.

- **Yoga for rejuvenation** - A mixture of asanas (postures), breathing techniques and meditation exercises that work on relieving muscular pain and stress.

- **Yoga fusion** - The combinations of various forms of yoga that accomplish many goals, such as combining Yoga and Pilates. Other options are listed in *Successful Programs for fitness and Health Clubs: 101 Profitable Ideas*, each with their own emphasis and description.

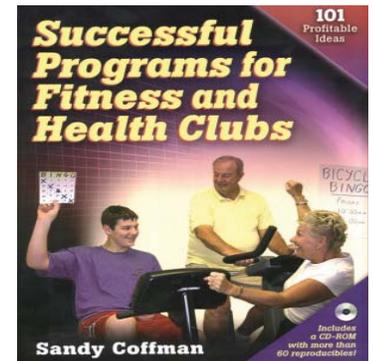
Remember, the goal of programming is retention. If you can keep your members interested, excited about your programs and enjoying new activities and



Sandy Coffman

challenges, you will experience business growth as well as retention.

(Sandy Coffman is the Dean of Club Programming and the author of the book *Successful Programs for Fitness and Health Clubs: 101 Profitable Ideas*. To order Sandy's programming book, go to [www.humankinetics.com](http://www.humankinetics.com). You can contact Sandy at [slcoffman@aol.com](mailto:slcoffman@aol.com) or [www.sandycoffman.com](http://www.sandycoffman.com))



### Advertising Directory

## Norm Cates' CLUB INSIDER<sup>TM</sup> The Pulse of the Health and Fitness Club Industry

The excellent companies below bring CLUB INSIDER to you every month, so please take a minute to see what they can do for you. To learn more about them, or about joining The CLUB INSIDER Advertising Team, go to [www.clubinsideronline.com](http://www.clubinsideronline.com) today!

ABC Financial - Pg 13	<a href="http://www.abcfinancial.com">www.abcfinancial.com</a>
Affiliated Acceptance Corporation - Pg 9	<a href="http://www.affiliated.org">www.affiliated.org</a>
Apex Fitness - Pg 32	<a href="http://www.apexfitness.com">www.apexfitness.com</a>
Body Training Systems - Pg 31	<a href="http://www.bodytrainingsystems.com">www.bodytrainingsystems.com</a>
Fiserv - Pg 5	<a href="http://www.clubs.fiserv.com">www.clubs.fiserv.com</a>
fitRewards!	<a href="http://www.fitrewards.com">www.fitrewards.com</a>
Gym Wipes by 2XL Corporation	<a href="http://www.gymwipes.com">www.gymwipes.com</a>
iGo Figure - Pg 24	<a href="http://www.igofigure.com">www.igofigure.com</a>
IHRSA	<a href="http://www.ihrsa.org">www.ihrsa.org</a>
Iron Grip Barbell Company - Pg 25	<a href="http://www.iron Grip.com">www.iron Grip.com</a>
JLR Associates - Pg 7	<a href="http://www.jlrassoc.com">www.jlrassoc.com</a>
National Gym Supply - Pg 11	<a href="http://www.gymparts.com">www.gymparts.com</a>
NFPT - Pg 8	<a href="http://www.nfpt.com">www.nfpt.com</a>
Optimal Design Systems International - Pg 26	<a href="http://www.optimaldsi.com">www.optimaldsi.com</a>
Piedmont Health and Fitness - Pg 10	<a href="http://www.piedmontfitness.com">www.piedmontfitness.com</a>
Planet Fitness - Pg 2	<a href="http://www.planetfitness.com">www.planetfitness.com</a>
Rountables for EXecutives	<a href="http://www.rexroundtables.com">www.rexroundtables.com</a>
Sports & Fitness Insurance	<a href="http://www.sportsfitness.com">www.sportsfitness.com</a>
Susan K. Bailey Advertising - Pg 23	<a href="http://www.clubads.com">www.clubads.com</a>
The Step - Pg 17	<a href="http://www.thestep.com">www.thestep.com</a>
Thin&Healthy's Total Solution - Pg 19	<a href="http://www.thinandhealthy.com">www.thinandhealthy.com</a>
Visual Fitness Planner - Pg 15	<a href="http://www.visualfitnessplanner.com">www.visualfitnessplanner.com</a>

## Grow in 2012! Advertise Today

View Our 2012 Media Kit:

[www.clubinsideronline.com/advertise](http://www.clubinsideronline.com/advertise)

### Sincere Thanks and Great Appreciation To:

All who have advertised, purchased subscriptions, pitched in as Contributing Authors and read CLUB INSIDER! We are now in our 18th 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!**

Very Sincerely,

*Norm Cates, Jr.*

**I WANT TO BE MORE SUCCESSFUL. I WANT MORE MEMBERS. I WANT TO KEEP MORE MEMBERS. I WANT THE BEST TEAM. I WANT TO DOUBLE MY GROUP FITNESS PARTICIPATION. I WANT TO BE A LEADER IN MY MARKET.**

**I NEED**

**bodytraining  
systems**



SCAN FOR MORE INFO

BTS is a leader in branded group fitness. We have enabled clubs to service 200% more members in group fitness and become 46% more profitable than the average club. Learn how BTS can help you achieve all you WANT.



• [bodytrainingsystems.com](http://bodytrainingsystems.com) • 800.729.7837 x237 • **LET'S MOVE?**

# » One-stop shopping. Non-stop revenue.

## THE APEX™ ALL-IN-ONE RETAIL CENTER

Get all the best nutritional and fitness products, at a value that's sure to boost your bottom line.



### APEX™ Premium Nutritional Products

- › Multivitamins
- › Fat burn and appetite control formulas
- › Performance products
- › Health bars, cookies and snacks
- › Meal replacement powders
- › Ready-to-drink mixes for pre- or post-workout

### More Top-branded Fitness and Nutritional Products

- › bodybugg® personal calorie management systems
- › Harbinger Men's and Women's Power Gloves
- › Scosche Music Accessories
- › Blender Bottles
- › Masterlock Key Locks
- › Muscle Milk
- › And much more!

### MAKE THE CALL

Set up shop with just one phone call.  
800.656.2739 ext. 4067 or email [licensing@apexfitness.com](mailto:licensing@apexfitness.com)

**apex**®