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Norm Cates' CLUB INSIDER™

The Pulse of the Health and Fitness Club Industry

250!

By: Norm Cates

250. In preparation for this special Cover Story, and our 250th Edition of CLUB INSIDER, I went to www.clubinsideronline.com and clicked on Archives to take a little stroll down memory lane. Let me start this Cover Story off by telling you a little bit about how CLUB INSIDER was dreamed up and by whom. Then, I'm going to pull out some of the stories from our archives that really stand out (believe me, there were lots of them) and will share some of them in this month's Norm's Notes. So, don't put this edition down, as it's packed with amazing stuff from front to back!

The number 250 is one that I believe the late Jane Beusman, a great lady, and wife of "Brother" Curt Beusman, would be mighty proud of. I refer to Curt, a true giant of the health and fitness club industry, and one of our Co-founders of IHRSA, as "Brother" because of his famous speech in which he imitates a church preacher wearing a white robe, with arms flailing and words flying while he urges club owners and operators to find their way to becoming really great in the club industry by adhering to Curt's 10 Commandments for great clubs. I believe Jane would be proud because the **Mission of CLUB INSIDER** was her idea. That Mission is alive and well today, nearly 22 years since she stated it. I also believe that this edition being our 250th monthly edition of CLUB INSIDER might even amaze her.

As we celebrate our 250th monthly edition of CLUB INSIDER, I believe I have clear proof that there is a God because I, a former football player at N.C. State University (who came real close to beating #1, Florida State, in football recently), had

flunked English Composition 101. So, for me to now be a 22-year publisher, much less one with 250 monthly editions under my belt, is all the evidence I need. **Thank you, God!**

It was January 1993 and The Faust Roundtable #1, a group of veteran club owner/operators that Rick Caro had brought together for business learning and improvement, gathered in Chicago for one of our regular meetings. In addition to Jane and her husband, Curt Beusman; our Facilitator, Dr. Gerry Faust; Rick Caro; Red Lerille; Cecil Spearman; Todd Pulis; Dick Trant; Tom Lyneis; Mitch Wald; Mark and Debbie Eisenzimmer; Jill Kinney; Carl Porter; Jay Kell; Hannah Karass and yours truly, were all in the meeting room that day at a Chicago hotel. Rick Caro's idea for Roundtable #1 was to have our group of veteran club owner/operators meet in a different city several times a year to share our challenges with others in the group and exchange ideas among the group to help solve those challenges. Each member was given an opportunity at each meeting to share a challenge with the group, whatever might be at the top of their list. We also

shared data, successes and resources.

"Mr. Mom" for My 8-Year Old Son, Justin Cates

In Chicago, the item on the top of my list was to follow up on an idea I had and intended to pursue. That was to conceive and create a business involving our great health and fitness club industry that I could own and operate from my home so that I could become a "Mr. Mom" for my then 8-year old son, Justin Cates. So, when it was my turn, I grabbed my flip chart and stood in front of the group. I told them what I wanted to achieve, and to start, I wanted their ideas for potential businesses I might start. The ideas started coming, and I wrote each one on the flip chart. I emphasized to the group that the new business had to be one in our industry since I already had 20 years invested in it, and it had to be one that I could continue to operate from my home as it grew and evolved. My list of prospective businesses grew until there were about ten. Then, one by one, we eliminated all of the ideas except for one... a newsletter for the health



December 1993, Club Insider Blasts Off!

and fitness club industry. Then, referring to that newsletter idea, the wonderful Jane Beusman said, "We need a new publication in our industry, a new publication that is irreverent, outspoken and 'Tells-it-like-it-is' on important happenings." She went on to say that she believed that I was a perfect candidate for such a publication because of my background in our industry and my personality.

Three months after the Chicago meeting, our Roundtable #1 meeting was in Del Mar, California and "Brother" Beusman and his wife, Jane, were in attendance as usual, along with 12 others. The challenge I had for the group that day was to select a name for the new publication the group had chosen in Chicago to be my new business venture. There were 14 other people in the room that day, and on my tape recording, I heard 9 different people throwing out potential names for this fledgling publication in rapid fire. All of a sudden, "Brother" Curt Beusman said, "Insider! No, Club Insider. No, Club (See 250! Page 10)



Inside The Insider

- "Insider Speaks" - The Evolution of Club Insider - Part III - **By:** Justin Cates
- Trainer Compensation - Why We Have It All Wrong And What To Do About It - **By:** Ron Alterio
- Behaviors That Lead Teams Down the Road to Dysfunction - **By:** Dr. Art Curtis
- Remaining Relevant Requires Change - **By:** Stephen Tharrett and Mark Williamson
- Let's Stop Making It About Price... - **By:** Maria Parrella-Turco
- How To Be Great At Gym Membership Sales - **By:** Jim Thomas
- For High Performance: STOP Performance Reviews - A Summary of Recent Research - **By:** Will Phillips
- Health Clubs + Hormones = High Income In A Week - **By:** Donna Krech
- Packing On PR For Winter - **By:** Nancy Trent
- Six Steps to Better Member Motivation - **By:** Retention Management
- Keys to Success for Multigenerational Adult Programming - **By:** Laurie Cingle
- Motionsoft Concludes Inaugural 2014 Technology Summit
- Orangetheory Fitness Names David Carney As New COO
- Honor Yoga To Open In Pennington, New Jersey

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? Hmm... hmm... hmm! I urge you to get out and Vote on November 4th! God bless and SAVE America from all BAD people!

•I want to again remind you all that Big JOHN McCARTHY will be honored in Chicago at The Club Industry Show, and we want to congratulate him right now on his Club Industry Lifetime Achievement Award in advance! CONGRATULATIONS JOHN! Folks, if you've not made plans to be there to cheer for John, please do so now! The Award will be presented on Thursday morning, October 23rd, at 9:15AM. Also, if you've not yet gone to www.clubindustry.com and read the terrific article/interview about John written by award-winning Club Industry Author, STUART GOLDMAN, you really should, as it's a great read! Speaking of great reads, STAY TUNED because CLUB INSIDER will also be featuring Big John as our November, 2014 Cover Story subject in honor of his great 25-year career at IHRSA, his work over the last 8+ years as the Chairman of The Bash Committee for Augie's Quest and his Club Industry Award. I hope to see you all in Chicago! Please stop by

and visit Justin and I at our Booth #631, and also, please visit and do business with our CLUB INSIDER Advertisers because they're terrific people who'll take care of you and can be Trusted!

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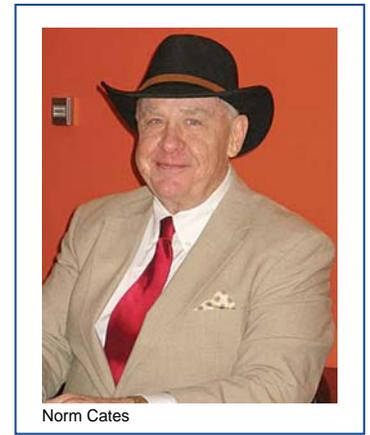
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•Congratulations to all the folks at LA Fitness as they're celebrating the 30th Anniversary of their highly successful club chain. We wish them all the best in the future!

•We're thrilled for our friends and former partners, RICH BOGGS and RAY IRWIN, Founders of The STEP Company and Body Training Systems, now known as MOSSA. They've been working with the giant Microsoft Corporation on Xbox Fitness to produce what they're calling: ATHLETE FIT with



Russell Wilson



Norm Cates

the first celebrity athlete being Seattle Seahawks Super Bowl Champion Quarterback, RUSSELL WILSON (See Photo on This Page!) Rich says that Microsoft arranged to have Russell Wilson travel to MOSSA Headquarters right here in Marietta, Georgia for a 2-day photo shoot and production of the Xbox Fitness workout. Boggs commented, "Business is great! We were one club short of a record sales month last month, and we're at about 1,100 clubs now! And, over 1,000 free passes have been downloaded by Xbox Fitness users who have clicked our message at the end of every MOSSA workout on Xbox One. Right now, through our new MOSSA Xbox Fitness 'Consumer-to-

Health Club' Promotion, MOSSA has four different Home Workouts: MOSSA Abs Workout, MOSSA Fight Workout, MOSSA Groove Workout and MOSSA Power Workout." Checkout www.mossa.net/xbox-workouts/register-xbox-promo, which, in part, says: "MOSSA is excited to introduce a massive consumer-to-health club promotion. Over the next four years, Microsoft and MOSSA will promote your health club, fitness center or gym through Xbox One. If you choose to participate, all Xbox Fitness users will be able to access a FREE PASS to experience our professional Group Fitness Programs, Group Core, Group (See Norm's Notes Page 7)

About Club Insider

Established in 1993

21 Years and Counting!

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“Insider Speaks”

The Evolution of CLUB INSIDER

By: Justin Cates

Part III

Welcome to **Part III** of an important 3-part article series that I am both proud of and excited to produce and bring to you. As you, our loyal readers know, we continually try to improve **CLUB INSIDER**, from ease of use in print and online to continuing to provide more and more valuable content that can help the health and fitness club businesses you own and operate become better and better. Some improvements come unannounced, as many are minor. We take the *Red Lerille approach* and try to improve something *every month*, no matter how small; however, there are some big improvements coming in the next few months that we have been working on for a while. Today, we finish the process of sharing those improvements with you and announcing when you can expect them.

In **Part I** of this article series, we announced the launch of The **CLUB INSIDER Archive Library** with which you can now view any edition of **CLUB INSIDER**

ever published (*250 editions to date!*). This makes a **Paid Subscription** to **CLUB INSIDER** more valuable than ever and the best deal in the health and fitness club industry for knowledge tools that can increase your business. Our second announcement in that article doubled down on our goal to provide tremendous value to our **Paid Subscribers**, and that was the advent of our **\$10 a Month Subscription Option!** If you are not yet a **Paid Subscriber** to **CLUB INSIDER**, now is the best time ever in which to become one. I welcome you to fill out the form on **This Page** or go to www.clubinsideronline.com/subscribe today. You will be happy you did!

In **Part II** of this article series, we announced the launch of the **CLUB INSIDER App** on Apple and Android platforms for phones and tablets. This free app will now bring the informative content you expect from **CLUB INSIDER** every month optimized for your phone or tablet. With the app's launch on October 1st, the initial feature set resembles what you would normally find on our ever-expanding website, www.clubinsideronline.com. However, you can expect monthly updates,

as we add more and more features you will only find via our app. To download the **CLUB INSIDER App** today, go to your respective app marketplace and search: *Club Insider*. In addition to our new app, we also announced the concurrent October 1st launch of our mobile website optimized for phones and tablets.

With **Part III** of this article series, we are now very excited to announce some additions to **CLUB INSIDER** that will literally change the face of our company and make it more valuable to you than ever in your endeavor of furthering the art of your health and fitness business. Let's get started.

CLUB INSIDER Radio

For the 21-year, 250-edition history of **CLUB INSIDER**, our publication has been text-based, meaning extensive time is needed to read and analyze the content we publish. The fact is, in the modern society in which we now live, time is a commodity that is becoming exceedingly valuable as more and more sources draw from it. We want to do our part to help you get the information you need to continually improve your health and fitness club business in a more time-efficient manner. Beginning with our **January 2015 Edition**, on our website and via our app, a new option will be added to every article published. In addition to the current *View eVersion* and *Download PDF* options, this new option will be: *Play Audio*. When that option is selected, the respective article will now be read to you in crystal clear audio.

Of course, we will still always recommend reading as much of **CLUB INSIDER** as you can every month because there is no substitute when it comes to consuming informative content, but we hope this option will help make **CLUB INSIDER** more easily consumable, and thus, that much more valuable to you.

In addition to future editions of **CLUB INSIDER** being brought to you via text and audio, we will also be recording audio from select and valuable articles in our extensive **Archive Library**. From this growing library of audio, we will be launching what we call **CLUB INSIDER Radio**, with programming 12 hours per day available at www.clubinsiderradio.com or via our main website (www.clubinsideronline.com) and app. This means that anytime you have some free time (in your car, in the office, working out, etc.), open up our app or log into our website and see what is playing and how it can help your



Justin Cates

business. It will be worth your time and Paid Subscription.

CLUB INSIDER eBooks

On July 1st of this year, we launched the **CLUB INSIDER Archive Library**, bringing every edition we've ever published to your fingertips. This is an extensive amount of information that can help improve your health and fitness club business, and we understand it can be overwhelming. Where does one start? To help answer this question, we are excited to announce **CLUB INSIDER eBooks**. Our first eBook series will focus on the **Best of CLUB INSIDER**, and it will be carefully curated to bring the important content of health and fitness club industry history to you in a more organized format. The first eBook of this series will be released in **January 2015**, with additional eBooks coming quarterly. All eBooks we publish (new and archived) will be included with a **Paid Subscription** to **CLUB INSIDER**. Without a subscription, the price will only be **\$10!** Of course, \$10 is also the price of a monthly subscription to **CLUB INSIDER**, so we recommend that no-obligation option because you will get the eBook series and everything else published by **CLUB INSIDER**.

CLUB INSIDER Weekly

Throughout this article series, there is one similarity that connects everything we have announced. That similarity is the repurposing of current and previous **CLUB INSIDER** content to provide additional consumption options in order to provide Paid Subscribers with better value for their subscription investment. With this announcement, we break this trend, as this will actually increase the amount of
(See “Insider Speaks” Page 12)

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...Norm's Notes

continued from page 4

Groove, Group Kick, and Group Power at your location." Boggs commented, "The program just started, and right now, a little over 200 people per month are raising their hand and saying to us, 'We want to go do this because we've been doing it at home!' Norm, it's exactly what we had hoped for, and as it continues to grow, that club guest pass number should continue to grow. So, all somebody has to do to take advantage of it is to run one of the four programs we have on there and then click on the free guest pass button at the end of the workout." **So, Stay tuned, folks!**

•A few months ago, **BEN MIDGLEY, President of Crunch Franchising**, told me they were expanding their **Crunch Franchising Program** into **Canada**. Check out the **Crunch Franchising Ad** on **Page #5** and contact **Ben** for information about Crunch: **ben@crunchfranchise.com**. Word is **Crunch** is about to be sold for reportedly **\$200 million**. **Stay tuned!**

•**250! Trust! Wow!** Looking at the fabulous archive section on our website (www.clubinsideronline.com/archives) and our **November/December, 1993 first edition ever** of **CLUB INSIDER**, a thin, little' ol work... a 12-pager (See **Photo** on **Page**

#3), I marvel at the experience my son, Justin and I have had together with **CLUB INSIDER** over the past 21+ years with next month being our **22nd Anniversary**. As you can see, that edition featured a photo of our pal, **RED LERILLE**, presented in the newsprint style front page format that we started with. The brief front page article announced that we were going to produce an **In-depth, 3-part Case Study on Red's** mega club in Lafayette, Louisiana. We did produce that Case Study, and we shared many of Red's secrets, secrets from a guy I consider to be the greatest single club owner/operator in the history of our industry. Red's Case Study had approximately 15,000 words, and its sitting right on our website, along with 249 other monthly editions for you folks who are committed to our industry for the long haul and want to understand our great industry and the history of how we got here. So, what I'm going to do this month, and for the next two months, is present to each of you a little history lesson for our industry using only the front page and **Page #3** images of our past 250 **CLUB INSIDER** Editions. In this writing I will cover December, 1994 edition through December, 1996. Then, in November and December I'll continue this lesson with our January, 1997 through this edition. Let's begin:

•Our **January, 1994** edition started off

with the headline: **Massachusetts Booting Bally!** This story was generated when **Bally Total Fitness** entered the sophisticated and intelligent **Boston marketplace**, and during their 1-year presale, and before **ANY** of their gyms were even open, **they had generated a whopping 1,500+ complaints at the Massachusetts Consumer Affairs Office!**

•Our **February, 1994** front page included **Part I of Red's 3-part Case Study** and an article by the one and only, **WARREN WERTHEIMER**, with the following title: **What's Love Got to Do With It? A Future for Our Industry**. It's my bet that Big John McCarthy found this amazing article by Warren very interesting and helpful because of the **LOVE** that Big John had and continues to have for **ALL** of his **IHRSA** constituents... trust me when I say that of all of the people I've met during my 41+ year club business career, the description, **"Big John really cares," fits him the best!** John had a magnificent, 25-year career, and he's followed it up with **8+ years helping AUGIE and LYNNE NIETO** create and build **Augie's Quest** and making the annual **Augie's Quest Bashes for the Cure of ALS** so exceptionally successful. It's not surprising anymore to see **The Augie's Quest IHRSA Bash** generate **\$1.7 million, or more, for the Cure of ALS in one night!** If you've

given, **Thank You**. Please give some more and spread the word. If you've not given, then see **MIKE GRONDAHL's Ad** on our outside back **Page #32** and give to **help Win the War on ALS!**

•Our **March, 1994** front page headline read: **Showdown in Reno!** This announced that there would be an Open Forum at the upcoming meeting in Reno to discuss the opposed the installation of **Exercere** as **IRSA's New Name** (See our **Cover Story This Month**).

•Our **April, 1994** edition featured a terrific front page article written by **Big JOHN McCARTHY**, entitled: **The Human Meaning of Joining a Club** in which John shared a quote from the late **DR. GEORGE SHEEHAN** who in his **Runner's Magazine** column called **The Human Race** wrote: **"Human beings will not continue for long to do anything, no matter how good it is for them, unless it is pleasurable, unless it is social, unless it is entertaining, unless it is fun."** Amen, **George!** I'm pretty sure that George's thoughts propelled Big John's work at **IHRSA** in a special way... one of those ways manifested itself in John's legendary handshaking of everybody who arrived at our **IHRSA Convention Opening Receptions** over the years.

•Our **September, 1994** edition featured a story about my long-time friend, **RUTH STRICKER, Founder and owner of The Marsh** in **Minnetonka, Minnesota**, entitled: **Ruth Stricker Honored As Healthy American Fitness Leader**, a story that showed exactly **WHY RUTH STRICKER** will be known from now on as one of the greatest health and fitness club developer/owner/operators in the history of our industry.

•Our **January 1995** edition cover featured my friend since 1978, the one and only **RICK CARO**, in an article I named: **THE CLUB INDUSTRY'S BEST FRIEND**. I wrote that piece to honor Rick because he was responsible for our creating **I(H) RSA** in **1980/81**, and he also was very involved and helpful in the creation of **CLUB INSIDER**. I call him **UNCLE RICK** in honor of and appreciation for his help shepherding all of us in this industry, including me and my son, **JUSTIN CATES**. In that article, I chronicled Rick's great work in this industry, and until this day, I still call him **THE CLUB INDUSTRY'S BEST FRIEND**, because he **is. PERIOD**. And, two months later, Rick's picture and another headline about him appeared on our front news page said: **RICK CARO AWARDED IHRSA'S DISTINGUISHED SERVICE AWARD**. Rick received that honor before it was named **The Dale S. Dibble Distinguished Service Award**, and I also was very honored to receive it the first year it was named for Dale in **March of 2001**.

(See **Norm's Notes Page 8**)

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...Norm's Notes

continued from page 7

•Our April and June, 1995 editions contained Parts I and II, respectively, of articles entitled: **Ray Wilson... A Club Legend In His Own Time... a Case Study On the Family Fitness Centers.**

•Our July, 1995 edition featured a big news story headlined: **\$95 MILLION...** which was the amount my friend, **RAY WILSON**, received for selling his **72 Family Fitness Centers in Southern California** to **MARK MASTROV's 24 Hour Fitness chain.**

•Our May, 1995 edition featured a

story about my long-time friend, **RAY GORDON**, entitled: **An Amazing Club Turnaround**, and it was about the great work Ray and his lovely wife, **SANDY**, did at **The Naples Fitness Center in Naples, Florida.**

•Our December, 1995 edition featured a front page story about **BEN MIDGLEY**, entitled: **BEN MIDGLEY - SALES CHAMPION** that we produced in honor of Ben being named the **IHRSA Membership Sales Director of the Year.**

•Moving on to 1996, the year my home town, **Atlanta, Georgia**, hosted the **1996 Olympic Games**. We continued with a story about the now late **BOB**

DELMONTEQUE with an article entitled: **BOB DELMONTIQUE... American Boomers In FAT CITY!** And, the next month we featured Bob again because I found his story so compelling I wanted to share more about the guy. The reason I was intrigued was that Bob was a guy at the time who was well into his 70s, but he looked younger and better than most movie stars!

•Another leader depicted in a front page photo in 1996 was the one and only, **JOE CIRULLI**, featuring him standing in front of his **Gainesville Health and Fitness Center in Gainesville, Florida.** Joe's a guy I've said for years is right up there with **RED LERILLE** as the best in the world at what he does.

•Our April, 1996 edition featured **MITCH WALD**, a spitting image of **INSPECTOR CLOUSEAU** of "Does your dog bite" fame, as he was honored by **IHRSA** with its **1996 Distinguished Service Award.**

•Our May, 1996 edition featured a photo of my friends **EDDIE TOCK, SANDY COFFMAN, RAY and SANDY GORDON** in a great front page story entitled: **Attitude Is Everything!** We also had a photo of their **Sales Makers Class of 1996** I took at a resort in **Naples, Florida.**

•Our November, 1996 cover story featured **CheckFree's DICK MITCHEL**, the now late **SCOTTIE MANION** and **BARRY BLEUER, BRIAN KAPPLER** and **DEBBIE PITZO.**

But, guess what folks? I'm out of space for this month! But, rest assured, next month I'll be back and we'll pick up with the year 1997, and as I've done here, I'll hit some highlights as I scroll through our archives at www.clubinsideronline.com/archives. So, by the end of this year, I will have provided you with a few glimpses of a tiny fraction of our **250 Edition Archive Library**, but for me to describe the amazing depth of this Archive Library, I challenge you to subscribe so you have access to all of it.

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Finally, I'm **Thankful**, and I want to express our **Sincere Appreciation to all of you who've made CLUB INSIDER happen. Thank you! Thank you! Thank you!** Now, back to some industry news.

•The folks at **Personal Training on the Net** (www.PTontheNet.com) have

announced the re-launch of their website with a new *mobile optimized interface and easy-to-use design* lead updates to *PTontheNet's online tools.*

•**Speaking of Booth #s** earlier, I want to be sure all of you've booked **March 11-14th for IHRSA Los Angeles**, our **34th Annual IHRSA Convention and Trade Show!** If you operate an equipment company, or you're company is an industry vendor and you've not signed up for your **IHRSA 2015 Exhibit Space**, I urge you to contact **IHRSA's TOM HUNT** now at **(800) 228 - 4772, Ext 152.**

•**IHRSA's JAY ABLONDI, Executive Vice President of Global Products and Author** of the new book about children's fitness entitled: **Active from A to Z** says, "Sales are strong, and it makes a great holiday gift!" People can go to www.ihrsa.org/active-a-to-z to order. Also, **IHRSA** has announced that their new publication, **IHRSA's 2014 Consumer Report, is now available.** The press release says: "In order to best serve your club members, you first need to understand them. *The 2014 IHRSA Health Club Consumer Report* provides detailed insight into the participation trends of both member and non-member consumers in U.S. health clubs. The 2014 Report is 113 pages and is now available. It tracks: *Activity, Usage, Trends and Analysis* and provides detailed insight into the participation trends of both member and non-member consumers in U.S. health club facilities. The report is based on analysis of 19,240 online interviews that were conducted with a nationwide sample of individuals and households in early 2014. Contact research@ihrsa.org with any questions about this publication.

•**CLUB INSIDER is a Paid Subscription based Publication with a money back guarantee on new subscriptions.** 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 you are not enjoying the *full benefits* of a **Paid Subscription** to **CLUB INSIDER**, which includes **one year of new editions** (print and online) and **online access to all previous years of CLUB INSIDER archive editions.** So, don't delay! Subscribe today for just **\$89 for one year** or **\$10 a month** by going to www.clubinsideronline.com/subscribe.

•**God bless all of our troops, airmen and sailors and keep them safe. Thank you, Congratulations and Welcome Home** to all of our troops who have served in **Iraq, Afghanistan** and around the world. **God bless you and your family, your club staff, your members and your club(s). God Bless America!**

(Norm Cates, Jr. is a 40+ year veteran of the health, racquet and sportsclub industry. Cates is the Founder and Publisher of **CLUB INSIDER**, now in its 21st year of publication. Cates may be reached by phone at **770-635-7578** or email at Norm@clubinsideronline.com)

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Insider News!" **CLUB INSIDER** was born.**TRUST**

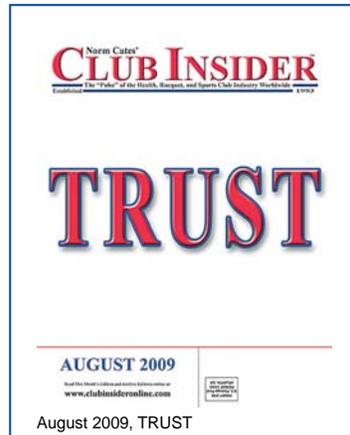
CLUB INSIDER was started and continues to operate because of one primary reason: **TRUST**.

The primary reason is the need to protect and grow the **TRUST** that our wonderful industry has developed with consumers everywhere during the past 34 years, since we started IHRSA.

The flat out truth be told, our wonderful industry did not have, nor did it enjoy, very much **TRUST** with American consumers before IHRSA came along. Before IHRSA, the two existing trade associations, the National Tennis Association (NTA) and the National Court Club Association (NCCA), were not providing the level of excellence our industry really needed from a trade association. Moreover, each of those organizations were focused on specific sports, NTA for tennis and NCCA for racquetball, somehow leaving Health out of the picture. The improvements to the reputation of our club industry, and the **TRUST** by the American consumer in this wonderful industry of ours has soared since IRSA was launched. For that, I want to give Big John McCarthy and his sidekick for 27 years, Chuck Leve, huge kudos. Plus, huge kudos for Joe Moore, who stepped in to become IHRSA's President and CEO when John McCarthy retired, and to Tom Hunt, who stepped into the leadership role with Associate Members when Chuck Leve left IHRSA. And, hooray for the IHRSA Boards!

Reflecting back to when we started IRSA, I was headed to Chicago to do two tough things: (1) laying off Chuck and informing him that we were hiring someone else to be our new IRSA Executive Director, (2) dealing with the rather hostile former NTA Executive Director while I was packing up the NTA Office in Chicago because NTA had been shut down. Very fortunately, while on the airplane headed to Chicago, I dreamed up a new job for Chuck. So, once I was on the ground in Chicago, that night and the next morning, I contacted our founding group by phone and got agreement from them that I would offer Chuck a job with the brand new IRSA, his primary role being assisting John McCarthy in recruiting and signing up companies to be Associate Members and convention exhibitors. John and Chuck did an amazing job of that, as everyone can now see. After Chuck left IHRSA and John retired, Joe Moore and Tom Hunt grabbed the torch and carry it proudly and excellently to this day.

The original idea of bringing the two existing trade associations together came to Rick Caro after he'd been elected to serve on both of the Board of Directors for the NTA and the NCCA (Rick was



serving as President of the NTA Board, and he was president-elect of the NCCA. I was President of NCCA). Rick was at an NTA Board Meeting one week, and the next week, he was at an NCCA Board Meeting. There, he accidentally pulled out the wrong meeting agenda from his briefcase. As Rick tells it, he didn't realize he'd pulled out the wrong agenda until he reached the fourth item on the agenda because they were both so similar. This launched the bright Caro mind, the same mind that so many of us have grown to trust over the years, into action. He, after giving this some thought, decided that the industry might benefit by combining these two Associations, NTA and NCCA, into one trade association. So, to be sure he was on target, Rick arranged a "discovery meeting" where the late "Mr. Enthusiasm" Dale Dibble, Jennifer Wayt, Todd Pulis, Peter Donahue and yours truly, met at a Chicago hotel to discuss the viability of Rick Caro's merger idea. We met for a full, very exciting day, and that group of five (which was missing "Brother" Curt Beusman because he was sick at home that day) unanimously agreed that this was a great idea and should be pursued. About three weeks later, we had the formal IRSA founding meeting at Rick Caro's office in New York City

where the seven of us, Caro, Dibble, Wayt, Beusman, Pulis, Donahue and yours truly, met and founded IRSA, for years now called IHRSA.

It was not long before the new IRSA caused **TRUST** in our great industry by consumers in America to begin to rise, albeit silently in those early days. Factors that facilitated this rise in **TRUST** by consumers was the attitude that IRSA Member club owners brought to the new Association, things like high pressure membership sales, "bait-and-switch" advertising, states without any laws regulating our industry and the lack of interest in such laws, were taken to task. IRSA Member club owners wanted our industry to become a legitimate, honest, ethical industry, something it had not been viewed to be to a significant extent by consumers before, and we were bound and determined to make that happen. And, we did.

Take for example, in 1984 at our IHRSA Convention in New Orleans when about 400 of us attended an Open Forum Meeting of the membership to protest the proposed admission of Bally Total Fitness into IRSA. The 400 IRSA Member club owners who attended that Open Forum opposing Bally's admission prevailed, and it was 16 years before IHRSA ever admitted Bally into the Association. We did that 16 years later because we believed that Lee Hillman, CEO of Bally during that era, had in fact, changed the culture of Bally. As it turned out, a group of about 45 IHRSA leaders met, and as a group, we voted unanimously during an IHRSA Convention to admit Bally into IHRSA. Then, a couple of years later, Hillman left Bally. After his departure, it was not long before the Bally culture pretty much reverted back to its old ways. And, as we all now know, Bally has been broken up and sold off in parts to various organizations, including the giant and extremely successful LA Fitness.



Norm Cates and Justin Cates at IHRSA 2014



June 1994, Exercere Out, IHRSA In!

"H" for Health Instead of Exercere

When IRSA was first founded, the acronym stood for **International Racquet Sports Association**. IRSA operated from 1981 until 1994 with that name and acronym.

In 1993, the IRSA Board decided and voted 9-0, to change the name of IRSA to "Exercere," which is Latin for "To Exercise." However, that Board made this move without adequately consulting and obtaining "buy-in" from the membership. Ironically, **CLUB INSIDER** was launched at almost exactly the same time as the name change to Exercere hit. As it turned out, the IRSA membership did not at all like Exercere, a name created by a brand consultant.

Since I'd just launched **CLUB INSIDER**, in the days before email was available, I was inundated with faxes, phone calls and letters. Virtually all of the communications I received about this name change were from IRSA Members who were quite upset and greatly opposed it. So, **CLUB INSIDER** published many of those communications three months in a row in the Spring of 1994.

These communications opposing the name change to Exercere resulted in another Open Forum at our IRSA Convention in Reno, Nevada in early 1994. Reflecting back, it's quite ironic that this second Open Forum was again being held exactly 10 years after the first one in 1984 in New Orleans when we had opposed the admission of Bally into then IRSA. All but one of 31 speakers at the Open Forum II in Reno stated loud and clear that they opposed Exercere. The one individual who spoke in favor of Exercere was an IRSA Board Member. But, after this Open Forum II, the same Board of Directors who'd voted 9-0 in favor of Exercere wound up voting 9-0 to drop the name change to Exercere.

In the next Board meeting in June of 1994, instead of changing the name to Exercere, the Board again voted 9-0 to change the Association's name. This time, simply by adding the word "Health" to the Association name and the letter "H" to the acronym, making IHRSA the brand (See 250! Page 12)



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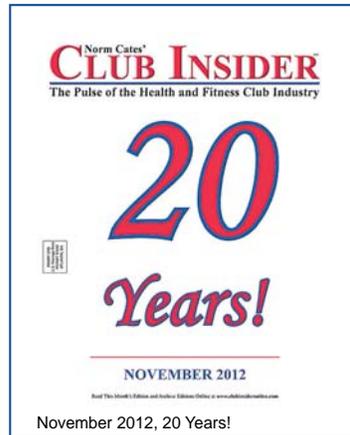
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continued from page 10

that has dazzled this industry with its great performance ever since. IHRSA's super Executive Director, the now retired, but still very hard working, John McCarthy, dealt with the whole thing in a marvelous manner. I would bet that were you to ask Big John today, he would tell you that the IRSA name change, not to Exercere, but adding the word Health and the letter H to the acronym, IHRSA, was the best thing to ever happen to membership sales of both types in the Association. And, I would bet that both Chuck Leve and Tom Hunt, the two men who deserve all the credit for the now 600+ companies who are IHRSA Associate Members, would tell you that this addition of the word Health caused their Associate Membership sales to also boom. That boom continues as IHRSA approaches our 34th Annual Convention and Trade Show in Los Angeles, March 11-14, 2014.

Sometimes, By Design and As Promised, CLUB INSIDER Has Had to Step Up to the Plate

For 250 monthly editions produced during the last 21 years, CLUB INSIDER has always kept a watchful eye. From time to time, CLUB INSIDER has had to step up to the plate and take a swing at certain parties in our industry... parties who are club owner/operators that believe it's okay to do illegal and unethical things in their club operations. Bad things... that, when they do them, damage the TRUST their community has in ALL OF THE HEALTH CLUBS in that marketplace, not just the TRUST of the illegal or unethical operator's club(s). I will not mention



those illegal and unethical operators I'm referring to here, but *THEY KNOW* who they are and so do *YOU* if you are a regular CLUB INSIDER reader. This *focus on* and *protection of the TRUST consumers have in your club(s)* is absolutely critical and required for any and all clubs to operate successfully over the long haul. And, it's this TRUST in our industry's club owners that CLUB INSIDER will continue to protect come hell or high water.

So, it was with those beginnings and that Mission that CLUB INSIDER began, has endured and continues to do so with your help and support as a loyal CLUB INSIDER reader. Some more CLUB INSIDER history will be covered in this month's Norm's Notes, so don't miss that on Page #7. And remember, if you ever want to check out the history of this great industry for yourself, every edition of CLUB INSIDER published is now available to our Paid Subscribers on our website at www.clubinsideronline.com/archives/!

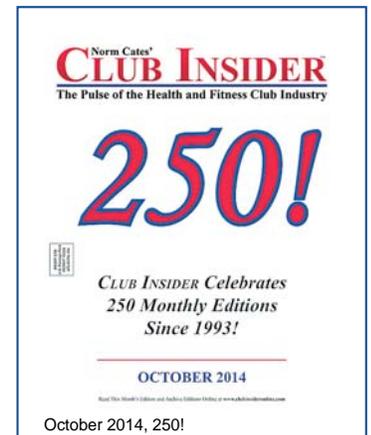
Now, Justin Cates, my son, and business partner in CLUB INSIDER, weighs

in to complete this Cover Story, celebrating our 250th edition, by sharing his perspective during these 21 years since he was eight. Justin also delivers a very powerful and mind-tingling writing on Page #6 in his "Insider Speaks" article, *The Evolution of CLUB INSIDER*, announcing and outlining our exciting plans for the future of CLUB INSIDER. We welcome all of you: our amazing CLUB INSIDER Cover Story subjects, our loyal readers, our wonderful Contributing Author Team and our loyal and great Advertising Team to stay on board as we blast CLUB INSIDER deep into the 21st Century! You have no idea what an amazing plan Justin Cates, almost 30 years old now, with 21 years of experience in publishing, has in store for CLUB INSIDER. So, if you have not already, I urge you to read his entire article on Page #6. You will then have heard again from one of the next great leaders in our wonderful industry, a strong young man who loves you all just as much as I do and a guy whose plan and intention is to be around to help this industry for at least the next 50 years, or more!

So folks... please **DO STAY TUNED!**

Comments From Justin Cates, Assistant Publisher of CLUB INSIDER

Reflecting back, I have many fond memories of growing up in the household that doubled as CLUB INSIDER "World Headquarters." At a very young age, maybe 8 or 9, there are several memories in particular that stick out in my mind. When thought upon, these actually really amaze me because of how far our family business has come because of sheer determination and love for the incredible health and fitness club industry. Very



early on, I can remember building with Legos in the family room where my dad's office also was. At that time, there was no Internet or email, so he typed every word of every edition. As he typed away, I would periodically show him my Lego creations. Unless he was on the phone for an important call, he would always take a moment to stop, acknowledge my work and praise it, as I always improved in his eyes. Today, I understand that this was the epitome of what he wanted to create with CLUB INSIDER and being a Mr. Mom for me during my formative years.

He did a great job, and since that time, I have increased my involvement with the company as my maturity, knowledge and skills have increased. I started very simply, though, as the Mailroom guy. What this meant was that I got to accompany him to the airport to get mailings to our first subscribers and early advertisers (we did not sell advertising the first six months of publication) out hot off the press so it would be delivered as early as possible. (See 250! Page 13)

... "Insider Speaks"

continued from page 6

content you can expect from CLUB INSIDER. Within the printed edition of CLUB INSIDER, our publishing priority is the monthly case-study cover story and best practices articles by our team of industry expert contributing authors. The remaining space is then used to pack in as much news as we can via Norm's Notes and press releases. Because of the natural limits created by print, we simply can't cover everything. With the launch of CLUB INSIDER Weekly, we are excited to no longer have this limitation and provide you with more information than ever, consumable on demand.

The monthly printed edition of CLUB INSIDER will always exist. As a company, that is our core, and it will always be. However, we strive to connect with you more than once a month. We would like to do so daily and weekly. Beginning on April 1st, 2015, we hope you will add www.clubinsiderweekly.com to your daily routine for industry news. Or, of course, open our app, and you will

have easy access there. Unlike the printed edition of CLUB INSIDER, which is Paid Subscription-based, CLUB INSIDER Weekly will be free for all. Daily news will be posted, but the value will really be in our weekly digest emails of that week's news. That weekly digest email will be called CLUB INSIDER Weekly.

In addition to industry news, within CLUB INSIDER Weekly, we will also throw in items that are not found anywhere else across the CLUB INSIDER Platform. This could be an informative article that didn't make it into print, special offers from industry partners, or who knows, something fun like a raffle for our readers. You never know what we might publish, so always read CLUB INSIDER Weekly. Though CLUB INSIDER Weekly isn't officially launching until April 1st, 2015, we invite you to still go to www.clubinsiderweekly.com today and sign up for CLUB INSIDER Weekly so you don't miss an edition when it is launched. As with all user information obtained by CLUB INSIDER, we do not sell it and use it only for the purposes of bringing CLUB

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CLUB INSIDER Network

Our final announcement is less of a new product but more of the culmination of everything we have announced in this article series. With the aggregate of new features and products we will be delivering, CLUB INSIDER will now not just be a printed industry trade publication but more of a full media company that brings our content to you in a variety of ways. That is our goal. Text is one-dimensional, so the addition of audio and video (where applicable, though not discussed in this article series) will make our product better for you. Additionally, with each new addition and the additional and improved integration of social media across our products, the culmination of everything will bring rise to the birth of the CLUB INSIDER Network, a platform for health and fitness club industry news and information that can and will help your club business.

• • •

Thank you for your time reading this Evolution of CLUB INSIDER article series. It is with you, our readers, in mind that we have worked to develop these new initiatives. We greatly look forward to bringing them to you, and we thank you for the opportunity to do so. (Justin Cates is the President and Assistant Publisher of CLUB INSIDER and grew up in the health and fitness club industry. Justin was born into a club business family in 1985, and from the age of eight, he spent his non-school and sports hours in a home that doubled as CLUB INSIDER Headquarters. He has lived and breathed this industry for 29 years, since his own day one. Cates graduated from the Terry College of Business at The University of Georgia in 2007 and then went on to two years at The Art Institute of Atlanta, where he studied Interactive Media Design. Now, he is an integral part of the "Story" of Norm Cates and CLUB INSIDER. Justin can be reached by phone at 423-314-4310 or email at Justin@clubinsideronline.com)

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...250!
continued from page 12

The backseat was a mess as I stuck those labels on the envelopes, stuffed them with a paper and sealed it. From this early involvement, I eventually became IT Director at age 16 (managing our computers and bringing us the Internet), adding layout design at 17 and editing at 18. Throughout college, I continued to edit and do layouts, and I would service the computers whenever home from school.

To complete my college degree, I wrote my Senior Thesis on the business I had grown up with and loved dearly. The premise was to develop a 5-year business plan for the company. That plan led to my full-time involvement once I graduated from the University of Georgia in 2007. A lot was written in that report (totaling over 100 pages), but I couldn't have imagined what we would actually accomplish since I started my life's work. At **CLUB INSIDER**, there is one goal. It's our **Mission**, and that is: **"To help the owners and operators of health and fitness clubs professionalize their clubs and gain the trust and business of their community."** Nothing keeps us from trying to fulfill our mission to you, our readers, and the greater industry at large. Personally, that Mission serves to motivate me, as I continue to think of ways in which to provide a better and improving print and online product every day, week and month. I grew up in the business, I love it and it will be my life's work.

To close, I welcome you to read about the exciting initiatives we have on the horizon! Check out the conclusion to my 3-part **"Insider Speaks"** article series about **The Evolution of CLUB INSIDER on Page #6**. Thank you for reading **CLUB INSIDER**, and thank you for letting me take a little stroll down memory lane. Now, back to the news!

(Norm Cates, Jr. is a 40+ year veteran of the health, racquet and sportsclub industry. Cates is the Founder and Publisher of CLUB INSIDER, now in its 21st year of publication. Cates was IHRSA's First President, and a Co-Founder 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 770-635-7578 or email at Norm@clubinsideronline.com)

Trainer Compensation

Why We Have It All Wrong And What To Do About It

By: Ron Alterio

Let's face it; personal training is the new economic engine for any fitness business. In fact, in many markets, PT is now the exclusive path to profitability. As a result, many operators are taking a long, hard look under the hood to re-examine and restructure the different moving parts of their PT program.

One key area of examination should be trainer compensation. The role and expectations of the trainer and their impact on the business has changed dramatically over the years. Yet, the way trainers are paid virtually remains the same. In the past, the overall cost of doing business was easily covered by membership revenue, so if trainers could sell themselves and build their own book of business, a 50%-70% split of the revenue was not an uncommon salary structure. However, the rules and costs of doing business have changed, and so too, has the role of the trainer. In many cases, even the responsibility of new client acquisition has been eliminated from the hands of the trainer. In fact, a trainer in the "new guard" is considered, for the most part, a "specialist." Their primary role is to protect the existing client/member base. In other words: **RETENTION!**

As such, let's examine the more traditional means of trainer compensation and illustrate why you might want to consider a change:

1. Volume of Sessions - This is one of the

most common methodologies for trainer compensation, yet potentially, one of the most misaligned. This type of incentive program simply rewards the trainer by staying busy. The more they train, the higher the rate of pay per session. At a quick glance, this may seem quite logical; however, it's critical to remember that most trainers are not doing the actual selling, especially in the EFT recurring model. In many cases, the trainers' schedules are being filled by a team of new client acquisition specialists. As such, there is nothing truly motivating the trainer to have a laser focus on results and retention with his client base. If the trainer loses a client, he will simply rely on that open slot being filled with a new client coming into the system.

2. Flat Rate or Flat Percentage - This model is based upon the concept of determining a flat rate or percentage of session rendered. Simply multiply the flat rate or % of session by the number of sessions rendered, and you are done! This type of pay system is popular and remains a holdover because it is VERY easy to track. However, this form of compensation, like the Volume of Session plan, does nothing to hold the trainer accountable for the quality of session or service they are delivering; if they, train they get paid. If they lose one client, most likely a new one will be put in its place. It's that simple.

To get the most out of each

and every trainer, and to make sure your trainer compensation plan is more closely aligned with the objectives of the company (revenue AND retention), you might want to consider exploring a couple of pay plan alternatives:

1. The Retention Model - This model rewards the trainer based upon how well he retains his existing client base. You simply take the number of existing clients in any given period (monthly or quarterly) subtract any new clients given to the trainer in said period and then determine how many of the original clients remain. Divide the number of remaining clients by the number of original clients and you now have the retention percentage. Typical payouts in this model are 30%, 35% and 40% of rendered sessions and are based upon 80%, 85% and 90% retention rates.

2. The Revenue Model - Similar to the Retention Model, the Revenue Model pay plan is tied directly to the existing amount of revenue or draft that a particular trainer "owns" or "loses." The calculations are almost identical in that you take the value of the draft or sessions that a trainer has in any given month, and compensation is paid based upon how much of that draft or sessions is retained at the end of the month. In this case, payouts are typically 30%, 35%, and 40% of rendered sessions and are based upon 80%, 85% and 90% retention of revenue or draft.



Ron Alterio

As you can see, the above plans are a win-win. In the new models, the trainer can still decide how many hours he or she wants to work. However, the compensation strategies are now more closely aligned with a retention-minded organization and convey the message that the quality of sessions, not just quantity, will determine how much the trainer earns.

(Ron Alterio is the National Sales Director for the Visual Fitness Planner. His area of expertise is building and driving successful EFT draft PT business models using the full suite of The Visual Fitness Planner products. Additionally, his Sales IQ consulting services can be obtained by calling him at 717-645-3899 or by emailing him at ron@vfp.us)

Motionsoft Concludes Inaugural 2014 Technology Summit

NEW YORK, N.Y. - The invitation-only Summit, held in New York City on September 16th and 17th, was attended by 60 industry executives and thought leaders from major fitness brands including Equinox, Town Sports International, GoodLife Fitness, Retro Fitness and XSport Fitness. Also in attendance were top payment processing companies, equipment vendors, retention and marketing agencies and private equity investors representing over 1,500 facilities and approximately 5 million gym members.

The Summit highlighted best practices for solving new technology challenges faced by the health and fitness industry. Panelists provided industry CEOs, CIOs and CFOs in-depth presentations on the future of technology adoption integration in the health and fitness industry, pricing and promotional strategies to lower attrition rates as well as

new product demonstrations.

Motionsoft's 2014 Technology Summit panels ranged from *Leveraging Technology to Maximize Club Value* and *Understanding the Complex World of Payments to Unleashing the Power of Promotional Marketing* and *The Convergence of Equipment and Data*.

Dr. Paul Bedford presented a session on *Member Retention: Research and Tools*, moderated by Motionsoft's COO, George Pappas. The session provided valuable insights and methods to help gym owners increase member retention and revenue. Representatives from major fitness equipment companies, including Technogym and Matrix, also discussed their latest innovations and how member information, connectivity and data are playing a bigger role in their product roadmaps.

Attendees were extremely pleased

with the presentations. "I have to give Motionsoft a tremendous amount of credit for stepping up and taking the initiative to bring together some of the biggest names in our industry. This is the kind of event that our industry has needed for quite a while" expressed Steve Groves VP & CIO at GoodLife Fitness, the largest fitness chain in Canada. Renowned club advisor Dr. Art Curtis of Curtis Club Advisors moderated *The Convergence of Equipment and Data*, noting, "This has been the most important summit for technology executives in health and fitness this year. I definitely look forward to Motionsoft hosting this technology event next year."

"Technology is vital to our industry," said Robert Skinner, SVP of Sales and Marketing at Motionsoft. "Keeping up with the pace of changes is extremely challenging. That's why Motionsoft hosted this event so that fitness IT leaders, club

operators and executives could share industry insights and knowledge to support their businesses successful adoption and integration of new technology services, software and hardware. Our goal is to keep this industry thriving."

"We're providing our fitness industry customers with the information and tools to grow their business," stated Al Noshirvani, CEO of Motionsoft, who was delighted with the outcome of the Summit. "It's an honor to have the most influential leaders in our industry present today to collaborate on shared industry growth issues. Our objective was to facilitate these important dialogs."

Motionsoft's next Technology Summit will be held in the Fall of 2015 with regional Thought Leadership Workshops beginning in the Spring of 2015. To attend upcoming events, please contact Jennifer Field at jfield@motionsoft.net.



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Behaviors That Lead Teams Down the Road to Dysfunction

By: Dr. Art Curtis

Part II

Last month, in Part I of our series on Teamwork, we looked at the *Power of Teamwork* and its importance to the long-term success of an organization. We identified several characteristics and behaviors of high performing teams:

- Shared Vision and Values;
- Mutual Respect;
- Complimentary Skills & Work Styles (Diversity);
- Ability to Engage in Constructive Conflict;
- Non-Insular Thinkers;
- Commitment to Group Decisions;
- Accountability for Behavior and Results;
- Celebrate Team Wins.

How many of you took the time to complete the Teamwork Survey included with that article to assess how your team rates on these characteristics and behaviors? If so, how did you do? Hopefully, some of you have been able to identify areas to work on to improve your teamwork. For those of you who scored well on all areas, congratulations, but do not get too comfortable; things can change quickly if you let them.

Have you ever been part of a team that became dysfunctional and lost its way? What were some of the changes that occurred on the way to dysfunction? Many events that normally occur within a business can cause a successful team to become dysfunctional. Changes in leadership, turnover of team members or the addition of new team members can all change the dynamics of a team. Declining business conditions or the opening of new competitors can increase the pressure on team members to perform. For some teams, they respond by becoming stronger, while for others, it brings out the weaknesses of the team.

Just as there are characteristics and behaviors of high performing teams, there are also behaviors to be on the lookout for that can lead a team down the road toward dysfunction. When I think about dysfunctional teams, the image that generally comes to my mind are a cluster of silos. Each silo represents a different department or functional area within the club, such as marketing, sales, fitness, building operations, finance, etc. The most dysfunctional teams operate like a group of independent silos. Focus is shifted to objectives within each individual silo vs. the collective and coordinated contributions each silo make to the overall success of the enterprise. Conversely, when I think of examples of amazing teamwork, I think of an Orchestra. I am always amazed how so many talented musicians can come together

to produce beautiful music. So, how can one team of talented individuals end up in silos while another works together like a great orchestra?

Leadership

Not surprisingly, it starts with Leadership. Dysfunctional teams lack a strong leader. If the leader is not able to clearly articulate a vision for the organization and keep the focus on organizational goals, then it is hard for team members to understand their role in contributing to the organization's success. Team members cannot see beyond their silo. Another behavior of a weak leader is to abdicate their responsibility to assemble and maintain a team committed to the shared vision. They can destroy team chemistry and create destructive disruptions by allowing a few team members to dominate or by playing favorites and not holding everyone accountable or allowing bad behavior by a team member. Team members respond to the disruption by migrating deeper in the security of their silo, only taking responsibility for what takes place in their silo. Changes in leadership can also have a detrimental impact on a team's performance if the new leader does not take the time to know and understand the characteristics of the team members, clearly articulate any changes to the vision and organizational objectives and obtain the commitment of the team to move forward.

Imagine what the orchestra would sound like without the conductor leading it and each section playing in the key of their choice and at their own tempo. The result would not be beautiful music, just a lot of noise.

Self Interest

Dysfunctional teams often have members more interested in individual results and less interested in the team's objectives. They generally put their individual needs for career advancement and recognition before the collective goals of the organization. They tend to enjoy being in their silo, believe that their role is the most important and that they are indispensable. In fact, some may even work to create barriers to protect their silo. It is hard for the person focused on self-interest to think anyone or anything on a team is more important or how their success may be a result of the contributions of other team members. Frequently, they take all the credit when things go well and are quick to spread the blame when things go badly. These types of individuals are killers of effective teamwork. The problem is not that individual achievement is bad; it most certainly is not, *the problem occurs*

when individual achievement comes at the expense of the team. Highly effective teams and their leaders are constantly on the alert to prevent self-interest from emerging on their teams, and if it does emerge, they deal with it immediately before any damage is done.

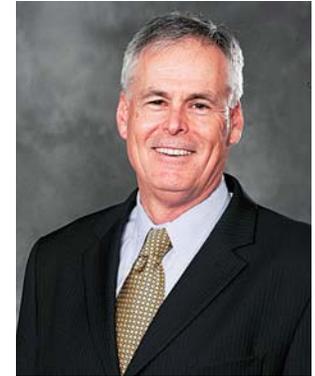
Go Along to Get Along Mentality

Dysfunctional teams tend to avoid conflict like the plague. As a result, they struggle to develop challenging goals that will make a difference to the organization, struggle to achieve commitment from team members to the team goals and lack accountability.

Clearly, defining the right goals is a difficult task for many teams. If the team lacks trust and mutual respect among fellow team members, then it is an impossible task. Without trust and mutual respect the team will avoid the necessary constructive conflict around the important issues that must be discussed and agreed to by the team. Another way teams avoid conflict in developing the right goals is by avoiding diversity on a team. This occurs when a leader allows a team to lack diversity in personalities, work styles and experiences. A leader who avoids diversity on their team or who does not value the role of the "devil's advocate" is creating a team that will be forever "trapped inside the box."

Avoidance of conflict results in the development of the deadly "go along to get along" mentality. When constructive conflict is not valued and reinforced on a team, the result over time will be that the team develops a kind of learned helplessness. No one will take the risk of challenging the status quo. As a result, there is never any true commitment by all the team to group decisions, only commitment to and focus on what takes place in their silo. Accountability is limited to work inside the silo. This is a team in trouble, one that is totally ineffective. Immediate attention is required and will probably require changes in the composition of the team. They are no longer an asset to your business and have become your biggest liability.

Be sure to keep an eye out for signs



Dr. Art Curtis

that a team is becoming dysfunctional. Especially be aware of the potential impact that changes in leadership, introduction of new team members and changing business pressures can have on your team's ability to work effectively together. Things can change very quickly. Just look at the Boston Red Sox this year. They went from 2013 World Series Champion to last place in their division.

(Dr. Art Curtis earned his B.S. in Business and M.S. in Exercise Physiology from Bowling Green State University and his PhD in Exercise Physiology from the University of Maryland. He has taught courses in the graduate schools of the University of Maryland and the American University in Washington, DC. In addition to his consulting work, Art has been serving as a mentor to students at the Dallas Hamilton Center for Entrepreneurial Leadership in the College of Business Administration at Bowling Green State University. Curtis Club Advisors LLC was formed in 2011 to serve the Global Fitness and Wellness Industry. Currently, Art serves on the Board of Advisors of CYBEX, one of the world's largest fitness equipment manufacturers. He is also a member of the Board of Managers of Taymax Holdings, an investment by ClearLight Partners in one of Planet Fitness's largest area development companies. From 2008 to 2013, he was a member of the IHRSA Board of Directors, serving two terms as Chairman from 2010 to 2012.)

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Remaining Relevant Requires Change

By: Stephen Tharrett and Mark Williamson

George Bernard Shaw said, "Progress is impossible without change," to which he added, "those who cannot change their minds cannot change anything." The moral of this quote is that progress, and possibly equally importantly, the avoidance of extinction and obsolescence requires cultures, organizations and individuals to change. Today, more than any other time in the health and fitness club industry's lifecycle, club operators are faced with a socioeconomic and cultural environment where consumers dictate what businesses need to do to remain relevant and where those proclamations can swing overnight. The marketplace for health and fitness continues to evolve, driven by a variety of cultural, demographic and psychographic variables.

Over the past five years, the industry has seen the emergence of new business models that have disrupted the "old way" of doing business, not to mention the emergence of new avenues of communication that defy the forms of messaging that have come to define our industry. In response to these alterations in the marketplace, the industry has tried to change, but as a whole, the changes have been more window dressing than earth shattering. Undress these "innovative" business models and heralded new approaches to communication and you find that not much has really changed. The Emperor has new clothes, but his beliefs appear to remain fully intact. The challenge that faces our industry, and every business that calls this industry home, is: "Are we ready to change our beliefs about how the business needs to be run, and can we toss old habits aside and adopt new ones?" We believe that a large number of health and fitness club operators are ready to adapt, possibly even undergo revolutionary change in order to progress and thrive. As always, the difficult part comes when the desire to change, even the need for change, is met by the nearly immovable force of human nature.

In this article, our goal is to provide insight into the process of change, particularly those areas that often present the greatest challenge to leaders when they embark on change.

The Process of Change

There are multiple models of change, but possibly the most well-known, and one of the most effective at guiding change is the model that was developed by Dr. John Kotter. His model involves eight steps, which are as follows:

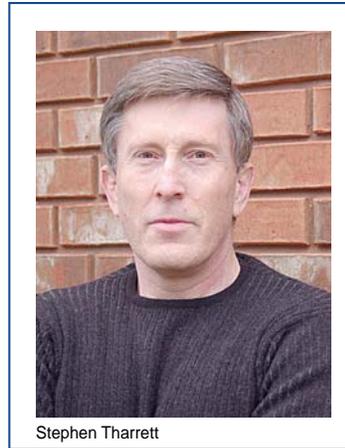
•Increasing Urgency;

- Building The Guiding Team;
- Getting The Right Vision;
- Communicating Buy-In;
- Empowering Action;
- Creating Short-Term Wins;
- Not Letting-Up;
- Making It Stick.

While each of these eight steps is important, there are a few that typically raise their "ugly" head during the course of every organization's change efforts, and consequently, become the forge that stops meaningful change from occurring.

Create a Sense of Urgency - When both of us worked at ClubCorp, the leadership regularly attempted to implement change, but rarely, if ever, did it stick such that it drove significant improvements in performance. One reason for this was the lack of urgency or a looming sense of urgency behind the change. People get comfortable with how things operate and with the role they have, in particular with the expectations they have become familiar with. You might define this as the "Teddy Bear" affect, where staying with what has worked, what is familiar and what is safe makes change seem scary, uncomfortable and needless. Consequently, leadership has to remove the comfort factor, eliminate the security blanket and create a little bit of pain, functional and emotional. For this to happen, leadership must create a dynamic tension and remove its "Teddy Bear" to demonstrate that they too are vulnerable but are prepared to embark on the journey absent their shield.

Build the Guiding Team and Getting the Vision Right - One of the most significant errors that leaders make in driving change is failing to build a team to guide the process and enabling that group to establish a meaningful vision for change. CEOs and owners all too often assume that, because of their position and past success, it only takes them to influence change. Unfortunately, that is not human nature. People are more likely to change when they see others whom they respect and trust take the leap, and even more so when they see that those they respect help to shape the vision. Consequently, the leader must build a team of change evangelists composed of respected and trusted leaders from all levels of the organization. During my tenure as the CEO of the Russian Fitness Group, we created a leadership council composed of 30 team members from various areas of the company to help lead change. This dynamic team helped to reshape our culture by establishing our true mission, vision and values and then taking that story on the road. They helped foster the vision of change and then



Stephen Tharrett



Mark Williamson

helped to proselytize the process of change throughout the organization.

Create Short-Term Wins - One of the great roadblocks to change occurs when leadership doesn't create opportunities for celebration. Too frequently, leadership pushes change but doesn't recognize or reward the subtle and not always visible changes that take place in the course of the journey. Leaders can't afford to wait until the change is fully engrained before recognizing the efforts and achievements their team has made; otherwise, they are probably going to have nothing to celebrate. The journey of change requires that leaders establish short-term transparent destinations that everyone can fathom, recognize, and most importantly, celebrate when they are reached. The achievement of these short-term destinations does not mean that change has occurred, only that it has begun and with time will become permanent.

Don't Let Up - All too often leaders see that the team has achieved a milestone and assume that means full change has taken place. Great leaders know that they can never let up in their effort to instill change and that driving change requires a maniacal devotion to the process. Change artists are as much Pit Bull as visionaries. Leaders who are effective change artists understand that they must be relentless in their commitment to driving change. This unrelenting attitude ensures that leaders never accept partial change as real change or one short-term win as anything more than a successful step in a series of steps.

What to Expect in Response to the Change Effort

Having a process for change, such as Kotter's *Eight Steps to Change*, can be incredibly helpful in creating lasting change in any organization. But, understanding the

emotional and functional responses people will have in response to the change effort is equally important, since it will provide a platform for shaping each of the steps in the change process. There are seven attitudinal and behavioral milestones that individuals must go through before they embrace change. Understanding what these are, and more importantly, understanding where the people in your organization fall in this response continuum will make it easier to shape, modify and carry out the eight aforementioned steps of change from the Kotter Model. So what are these stages?

Denial - A large portion of individuals begin at this stage. This is where people say: "These initiatives never really work!" or "Here we go again." or "This won't impact me, so I am not going to change." There will be people in every organization who never get beyond denial, and these are the people organizations have to be ready to jettison before they become a viral epidemic to change. Creating a sense of urgency can do wonders to push people out of denial.

Shock - This is typically the second stage after denial, though some people begin here. This is the stage where you hear folks say: "I don't believe this is happening." or "Where did this come from?" People who remain stuck at this stage are like deer in headlights; they eventually get run over, but in the process, they can prevent organizations from completing the change process. Demonstrating a sense of urgency can contribute to success in this area, as well as having a guiding team that everyone respects.

Low Point - This is the point in time where people feel the process is doomed. This is the stage where you might hear individuals say: "We can't do this." or "It won't work." or "I can't do anymore." (See *ClubIntel* Page 20)

Let's Stop Making It About Price...

By: Maria Parrella-Turco

There is a misconception out in the industry that, if you charge a lower price for your fitness services, you will have a better rate of member retention. Our company owns clubs and represents clients that range between \$9 and \$116 per month in membership dues. It's been proven that, just because a fitness center charges \$9 per month, it does not mean their retention rate will be better than a club that charges \$109 per month. Both models have shown average attrition rates that range approximately 3% to 4% per month, which is 33% to 48% attrition per year. In conclusion, a lower rate does not result in better retention.



Maria Parrella-Turco

There is a delicate equilibrium between member acquisition and retention. Acquiring new customers is important to each and every organization, but retention has become an essential business strategy for most fitness organizations. When I ask a client to tell me what their biggest expense is, they usually respond with the word "payroll." However, a club's biggest expense is their membership loss or attrition, not payroll. Customer retention is vital for profitability and growth; however, customers can only be retained if they are loyal and are using your facility. Great brands understand that, if they can make an emotional connection with their members, their members are more likely to remain loyal. These brands understand that emotional connections are made with their members through the heart, not their wallet. These brands also understand that a successful fitness center is not about price, it's about the value that you offer for that price.

So, if you've bought into this concept, now you need to determine the things you can do to create greater value for your members. You can stop reading very soon because you will not find the answer here. The answer can be found by listening to your members. Ask them. They will tell you what they want and need. Great companies take their customers' feedback very seriously. In addition, they are not simply ensuring that things are going well but also build in methods of systematic innovation and improvement. These companies follow these best practices:

1. Make their members' issues a priority;
2. Keep members informed at every stage in the improvement process;
3. Understand members' goals as well as their own company goals;
4. Provide a single point of contact for each member;

5. Thank their members for their feedback;
6. Motivate their members' feedback and behavior with recognition.

In addition, great organizations, which have a clear direction and vision of what they are doing and why, give every employee KPIs (key performance indicators) that directly influence their members' experience. Furthermore, they are given the authority to look beyond KPIs to make the right decision for the member. Take the Ritz-Carlton for example; they are known for their legendary service. All their employee meetings and KPIs are centered on guest service. They call these their Gold Standards. Gold Standards are the foundation of The Ritz-Carlton Hotel Company as they encompass the values and philosophy by which they operate. They include:

- The Credo;
- The Motto;
- The Three Steps of Service;
- Service Values;
- The 6th Diamond;
- The Employee Promise.

George Dossas, General Manager of Commonwealth Sports Clubs (CSC), a mid- to high-priced full service fitness center located in Boston, Massachusetts, has dealt with major competition over the past few years. He has had almost half a dozen competitors open, from small boutique studios to large big box gyms. George attributes his success to his state-of-the-art facility and continued group programming. However, he is most excited about the "culture of community" CSC creates. You will find George constantly walking the floor, speaking to his members and meeting with staff daily to ensure the culture of community at CSC is maintained

(See Maria Parrella-Turco Page 23)



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How To Be Great At Gym Membership Sales

By: Jim Thomas

Are you a gym owner and would you like to improve the sales performance in your club? Are you a membership salesperson or personal trainer that would like to improve your sales performance? I think most would say yes to these questions. However, we continue to see many gyms and individuals struggle to improve their membership sales numbers.

Of course, there is a tendency to blame things like the economy, the competition, the price, the marketing or just that people aren't buying. Have you considered that perhaps the problem is... you are not completely sold yourself? After all, *that's the only thing you have complete control over.*

With competition at a peak, you must know how to sell effectively. Let's start here:

Seven Tips On How To Be Great At Gym Membership Sales

Here are seven tips that we have used in club after club to immediately improve sales performance:

1. You must be sold yourself. If you're not sold, how can you expect your prospect to buy a membership or personal training from you? You must be sold on the fact that you have the best gym, best service, best equipment, best opportunity for client results and you're the best person to help them. Unless you genuinely believe this, then you're not sold.

2. Passion. Belief. Conviction. It's been said the core definition of sales is a transfer of enthusiasm or a transfer of feelings. Your job is to bring the prospect up to your level of passion, belief and conviction. If the prospect is convincing you of something else, then you are not sold.

3. Be unreasonable. You must be so convinced and so sold on the fact that your gym is the best solution for solving your clients' problem that you refuse to be swayed on all the excuses you are always hearing about *why* the prospect is not buying. You know... *"Let me think about it, I need to talk to my spouse, I don't have the money, I want to check out other clubs and the like."* This does not mean we are disrespectful. Quite the opposite, we are always agreeable, we just won't be convinced otherwise. For example, *"Mary, I understand. Many of our members say that; however, adding time to the decision will not help you lose the weight and get off medication. Let's get you started."*

4. If you're not hitting your numbers, at some level, you're not sold. Numbers will *tell the truth.* It can be membership sales, outbound calls, follow-up, prospecting, getting referrals, daily appointments, etc. If you are not hitting your numbers, then at some level, you are not sold. Go back and evaluate where you stand on this. You must get yourself sold if you want to hit the big numbers.

5. If you have excuses, you're not sold. Excuses like: *"We're always slow this time*

of year. Our price is just too high. They don't have any money. They didn't have enough time. It's too long of a commitment. No one will come out in this rain. What a nice day, I'm sure we will be slow." Here's a favorite, *"Oh, Jim, we're different than all the other clubs."* You have a choice. Either get sold on your product or service or be sold on the excuse.

6. This is the most important sale you will ever make. I'm sure many of you reading this have sold many memberships, personal training or other products or services. However, I can promise you that **the most important sale you will ever make is to yourself.** Make this sale first and start right now. Review your production numbers. What are they telling you? You must avoid uncertainty. In most cases, this is what causes us to not be sold. Take a look at your own areas of uncertainty when it comes to your sales production performance.

7. The idea of your being sold must be 100% and you must work at it. Uncertainty comes at us every day and in many forms. Stay focused on overcoming and even avoiding uncertainty. Work on keeping yourself sold.

Now, go be great at gym membership sales!

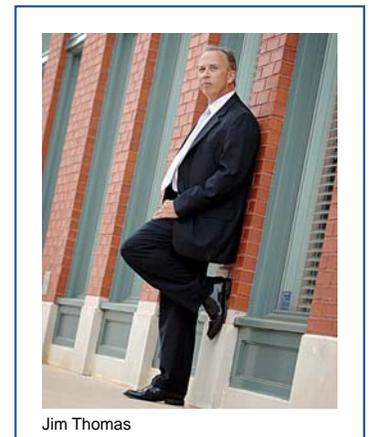
...ClubIntel

continued from page 18

This stage typically takes place after denial and shock, but in some instances, it is the starting point and ending point for many individuals. This stage represents the most significant hurdle for leadership to overcome, as it is the point where people can either look back and dwell on the past or envision the future with an open mind and heart. This is the stage where having the right guiding team, recognizing short-term wins and being relentless about never letting up comes into play.

Letting Go of the Past - This is the juncture where an individual is prepared to give up their "Teddy Bear," take a leap of faith and begin embracing the change. At this stage, short-term wins and never letting-up become vital. If people don't see a win, they can easily fall back, and with them, the entire organizational effort.

Testing - Once people have taken the leap of faith to give up the "Teddy Bear," they then begin to explore the benefits of the change. You might hear people say: "I think this actually works better." or "I believe this is a better way." Individuals at this level are fully prepared to embrace the change as long as leadership doesn't let up its efforts and continues to recognize the achievement of short-term wins.



Jim Thomas

(Jim Thomas is the Founder and President of Fitness Management USA Inc., a management consulting and turnaround firm specializing in the fitness and health club industry. With more than 25 years of experience owning, operating and managing clubs of all sizes, Thomas lectures and delivers seminars and workshops across the country on the practical skills required to successfully build teamwork and market fitness programs and products. Visit his website at www.fmconsulting.net)

Acceptance - This is the point of no return. People have given up their Teddy Bear and adopted a new one so to speak. At this juncture, employees just need confirmation that they have made the right decision. Leadership must recognize and reward the acceptance by defining clear metrics that define the change and then reward their achievement.

Integration - At this point, change has been embedded into the infrastructure of the individual's psyche. When individuals reach this juncture, they have made the desired change a habit. When everyone in the organization reaches this point, the change will be permanent until the process begins all over again.

As one can see, change is not easy. Understanding how change impacts people at the emotional level, along with having a grasp of the steps that are required to drive change in an organization, are two of the most important attributes for effective organizational leadership. In today's health/fitness club business, the leaders who master the change process will be those whose clubs continue to remain relevant in an ever changing consumer and business environment.

(Stephen Tharrett and Mark Williamson are the co-founders of ClubIntel, www.club-intel.com, a brand insights firm.)

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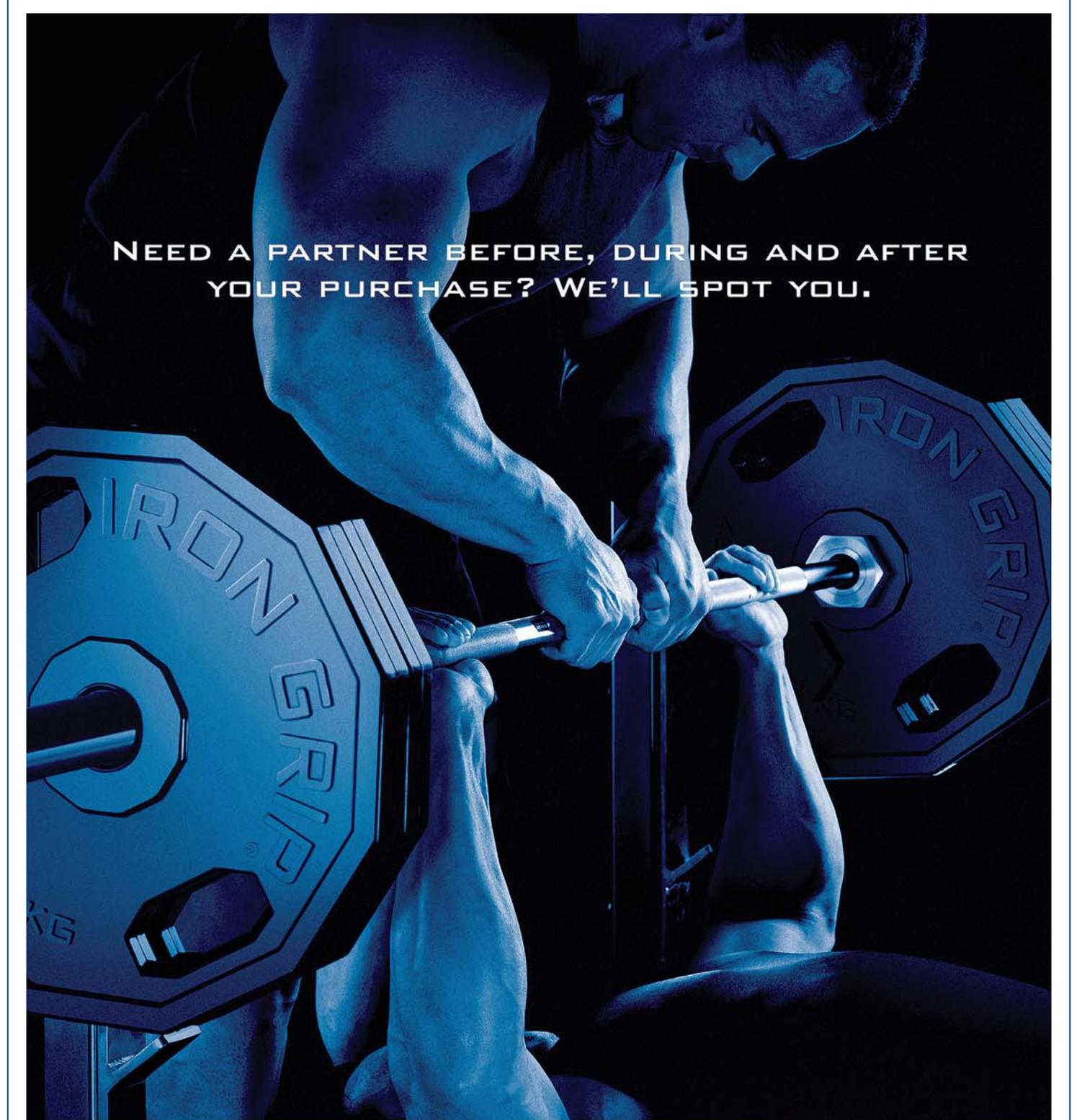
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For High Performance: STOP Performance Reviews

A Summary of Recent Research

By: Will Phillips

Stop grading performance if you want high performance! Managers love to manage, which means setting goals, measuring progress, taking corrective action and delivering results. Managing is like steering a car or handling a horse to get to where you want to be. In Spanish, the word for manage is *manejar* and refers specifically to knowing how to handle a horse or car, not people. Humans generally realize that 'managing' people is different than managing animals. The subtle insights of enabling people to produce superior results get lost when all you want from the worker is physical labor. This is seen in slave labor and in the assembly line where the work is simple.

Club work is not simple. Clubs need more than physical labor from staff. They require responsibility, diligence, pride, care and innovation as a start. Club cultures where employees become business thinkers and take proactive action and go out of their way to drive club performance always do better than clubs where it is just a job. **Note:** Low or no staffed budget clubs may not require highly performing staff, although they can also add value in these clubs.

Our challenge as leaders is how to engage employees with this broader sense of work so it is more than a job. For decades, the accepted business practice was that performance assessments of employees were a key tool in meeting this challenge. Many of you are familiar with Jack Welch's forced ABC annual assessment of all GE employees. And, for a decade or more, he was voted by other CEOs as the best in the world. As recently as 2012, the majority of Fortune 500 companies used this system. Obviously it works, but recent research reveals it may not give anywhere near the human performance that is possible while the continued turnover adds costs and reduces profits.

The New Data On Performance Assessments

The Corporate Executive Board reports 95% of managers are dissatisfied with their performance management system, and 90% of HR heads believe they are not accurate. Many managers dread doing assessments and tend to give middle of the road assessments to prevent the uncomfortable work of justifying low ratings and the perceived unfairness when some receive high ratings.

Frequently, the performance management which tells people where they stand may unintentionally keep them standing there. The old appraisal systems

in many clubs consume too much time and fail to improve performance. At best, they legally document poor performance in anticipation of a firing. At worst, they undermine top performance and encourage unwanted turnover. In the context of neuroscience research, most performance management practices turn out to damage the performance they are intended to improve.

There are two basic problems with these systems:

- First, rating or ranking people automatically generates an overwhelming fight or flight response and impairs their good judgment.

- Second, they encourage a mindset that human talent and intelligence are basically established very early in life and remain pretty much the same throughout life. As a leader, you may not believe this, but the very design of your performance rating/ranking systems conveys this to your staff. If the manager or the employee believe in the fixed mindset, it is not easy to set stretch goals or engage in improvement and development. When employees believe there is little chance of them improving-- for instance, learning to generate new member leads better-- the only option for improvement may be to cheat. In some research, there was a 300% increase in cheating when subjects felt they could not improve performance by learning or developing.

One of the largest problems that emerges with the fixed mindset is the great employee who started to work ten years ago now wants a raise but is not worth much more than they were ten years ago. This is a clear sign of living in a fixed mindset culture. It's a challenging problem for the company that is growing while some of its employees are not. In a growth mindset culture, you are ready to pay more because employees are worth more and have demonstrated that.

Another danger in the performance management was the system developed by Jack Welch in the 1990s of a forced ranking where everybody was an A, B or C, and the percentages were estimated to be 20%, 70% and 10%. Each year, the bottom 10% were to be replaced. The mere act of receiving a numerical rating can be perceived as negative feedback, even with people with a growth mindset. The

evidence seems to be in agreement; the well-intentioned feedback and correction diminishes staff's ability to learn.

There is also a special type of compliment that undermines learning. "You did really well; you have great talent." This encourages people to see their success as talent-related, not the result of effort, learning or self-discipline. So, our intended comment may restrict growth and improvement.

The alternative view to people who have a fixed mindset says that people can have a growth mindset where learning and improving are the norm.

David Rock, Founder of the Neuro Learning Institute and author of the article from which much of this summary is based, developed a new view of performance development based on the five factors that undermine a growth mindset:

1. Being labeled with a number throughout our history has been a way of dehumanizing and demoralizing people. Imagine the impact of regularly ranking your family members compared to each other. It is demoralizing, and more often than not, locks people into their current level of performance.

2. People may work as hard and cleverly as they can; they still do not know if this will get them a higher rating. That is because their ranking reflects not just their individual performance but their contribution compared to others. So, they are not certain what ranking or rating their efforts will produce.

3. Performance and improvement usually depends on many factors such as customers, pricing, the economy, decisions in other parts of the club or the weather. Although workers may have more influence than they think, ratings and rankings undermine a sense that they have control, so their capacities feel like they are fixed and unchangeable.

4. If only one person or a percentage can be given the top rating and get the best bonus, other employees have a good reason to subtly undermine their peers' performance to enhance their own rating/ranking. Microsoft's ranking system was blamed for a long decline in the company's performance. This system has since been discontinued. It leads



Will Phillips

employees to focusing on competing with each other rather than competing with other companies. Sometimes, this simply takes the form of peers not openly sharing information that might undermine their ranking or enhancing another's.

5. Seventy-five percent of people in one survey said performance systems were not fair. Unfairness is perhaps the biggest problem with forced ranking systems called grading on a curve in school.

Most traditional performance assessment systems incorporate most of these five factors inadvertently in a desire to create a "fair, systematic, company-wide 'system' that meets the country's personal laws."

The result of all of this is people feel unappreciated, become more conservative, set their goals low to ensure that they are seen as succeeding and avoid candid conversations because they never want to look bad.

Options to Performance Assessment

Quarterly, structured conversations should be had between the leader and their direct report focusing on a set of regular topics, such as: contribution, career growth, collaboration, culture, etc. Staggering these across the calendar often makes the process for the leader less burdensome.

The second option uses three questions to explore the direct report's situation:

1. What have you been doing that I encourage you to keep doing?
2. What would I like to see you start doing?
3. What would I like you to stop doing?

I first used these three questions in Dominos Pizza in the 1970s in place of standard performance appraisals. Both the
(See Will Phillips Page 23)



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...Maria Parrella-Turco

continued from page 19

despite the large city and continuous transient community. CSC holds member events and parties regularly. In addition, they celebrate their members' success in their everyday interactions. George recently implemented a loyalty program that he feels has helped, "brings members together," "made them feel valued" and "encouraged a community like culture."

It goes without saying that a good fitness center must have state-of-the-art equipment, facilities, programming and

staff in order to make the cut in value proposition. However, as stated here, we need to get to the "heart of the matter" with our membership. That includes celebrating your member's commitment to themselves and to the club. It takes an understanding that a successful club is not about membership, it's about community. As stated by Maya Angelou, "I've learned that people will forget what you said, people will forget what you did, but people will never forget how you made them feel." It is exactly that feeling that you elicit in your members that will be the most likely thing that earns and keeps their loyalty to

your club.

(Maria Parrella-Turco is a health and fitness industry expert, writer, consultant, turnaround specialist and entrepreneur. She is a founder, creator and co-owner of fitRewards, New Paradigm Partners, and Honor Yoga. In addition, she is Co-owner of NY/ NJ Crunch Fitness and Eclipse Fitness. She has been featured in CLUB INSIDER and Club Solutions Magazine. She has assisted hundreds of centers in the realms of conception, business plan development, finance, facility development, management and staff training. She is

a warrior against sedentary lifestyle and continuous facilitating increased profitability and mission fulfillment. For more than ten years, FitRewards, designed by club operators, has been providing health clubs with the solution to increasing member value, guest traffic and referrals. Experts in building member loyalty with our newest platform, our team of design specialists will create a program unique to your club. Generating results exactly where it counts! Contact FitRewards at learn@fitrewards.com)

...Will Phillips

continued from page 22

leader and the direct report answered the three questions about one another.

Everyone benefits from training to help these conversations work well. The book, DVDs and workshops on *Difficult Conversations* or *Crucial Conversations* are great starters. Simply providing the book and an associated YouTube by the author is a great help.

Whichever option you use, the overriding purpose is to create a growth-minded environment and to avoid assessment, judging, evaluation, ranking and rating and categorizing people since the

research is now showing these undermine the performance we are trying to improve.

A final question must be asked of every employee every quarter. *Does this person fit our value system and culture?* If the answer is "No," it is best to counsel that person out after a few months in helping them to get on board. In one company, over 80% who were rated a poor fit to the culture, voluntarily left the company.

These new approaches to improving performance have replaced traditional performance assessments at many well-known companies, such as Microsoft, Cargill, Medtronic and Adobe. Users report 90% satisfaction year after year with the new system.

Resources:

Kill Your Performance Ratings: David Rock et al. Journal of Strategy and Business Aug 8, 2014. Much of this briefing was derived from this article.

Difficult Conversations: Douglas Stone, Bruce Patton and Sheila Heen. Several YouTube videos also.

Crucial Conversations: Kerry Patterson et

al. Several YouTube videos also.

Punished by Rewards: The Trouble with Gold Stars, Incentive Plans, A's, Praise, and Other Bribes: Alfie Kohn, 1999

(Will Phillips is the founder and CEO of REX Roundtable for Club Executives, and he can be reached at will@rexroundtables.com)



Health Clubs + Hormones = High Income In A Week

By: Donna Krech

You've no doubt heard the term 'hormones are raging,' and if you'll take notice, those raging hormones can raise your club or studio's income within one week... yes, that said ONE WEEK.

Research verifies hormones, especially over age 35, are most likely the

1 reason someone is either not able to lose weight, loses weight only to plateau or discovers unexplained gain never before experienced, usually around the belly. As I continue my research and add experts from around the nation to our Advisory Board, I'm discovering there are more hormones at play in this than I originally thought.

At last count, there are at least

ten hormones that are messing up peoples' systems drastically. Two of the biggest culprits are adrenaline and cortisol. They can flat out nearly STOP a metabolism, and the result is weight gain, sleep problems, acid reflux, digestive disorders, migraines and a plethora of other issues. Stress in our lives is the producer of both adrenaline and cortisol.

Here's a simple self-test relayed to me by one of our experts. Take it to see if your adrenals are on overload. Share it with your members. It will reveal to you that hormones are at play in your facility. Therein lies a new income stream. We'd love to know your findings. Feel free to email us at info@donnakrech.com.

STRESS/ADRENAL ASSESSMENT

Next to each question, assign a number between 0 and 5. You should assign values as follows:

0 = Not True 3 = Somewhat True 5 = Very True

Once you have completed the questionnaire, calculate your total and locate the range you fall under.

- ___ 1. I experience problems falling asleep.
- ___ 2. I experience problems staying asleep.
- ___ 3. I frequently experience a second wind (high energy) late at night.
- ___ 4. I have energy highs and lows throughout the day.
- ___ 5. I feel tired all the time.
- ___ 6. I need caffeine (coffee, tea, cola, etc.) to get going in the morning.
- ___ 7. I usually go to bed after 10PM.
- ___ 8. I frequently get less than 8 hours of sleep per night.
- ___ 9. I am easily fatigued.
- ___ 10. Things I used to enjoy seem like a chore lately.
- ___ 11. My sex drive is lower than it used to be.
- ___ 12. I suffer from depression, or have recently been experiencing feelings of depression such as sadness or loss of motivation.
- ___ 13. If I skip meals I feel low energy or foggy and disoriented.
- ___ 14. My ability to handle stress has decreased.
- ___ 15. I find that I am easily irritated or upset.
- ___ 16. I have had one or more stressful major life events (ie: divorce, death of a loved one, job loss, new baby, new job).
- ___ 17. I tend to overwork with little time for play or relaxation for extended periods of time.
- ___ 18. I crave sweets.
- ___ 19. I frequently skip meals or eat sporadically.
- ___ 20. I am experiencing increased physical complaints such as muscle aches, headaches, or more frequent illnesses.

Scoring Your Adrenal Stress Profile:

It is important to note that this is not a diagnostic test and should not be used to diagnose any conditions. It is simply a tool to help assess your likely level of adrenal burnout.

- If you scored between:**
- 0 - 30 - You are in good health.
 - 30 - 40 - You are under some stress.
 - 40 - 50 - You are a candidate for adrenal burnout.
 - 50 - 60 - You are in adrenal burnout.
 - 60 + You are in severe adrenal burnout.

If you discover your score is 30 or higher, it most likely stress is causing issues in your metabolism and your health. In some cases, even if the score was less than 30, other hormones could be at play, causing undesirable issues. Now that you know, let's determine to kick stress to the curb! Life is short, so don't miss a minute of it letting stress weigh you (or your club) down! There is hope; there are answers. We've now personally seen thousands lose weight with our new 20/30 Fast Track Plan and benefitted from a serious income for doing so. We're here if you have questions.

The following questionnaire will help determine the state of one's digestive and hormonal health, both of which largely impact the body's ability to lose and maintain a healthy weight!

Please rate your symptoms accordingly:

0 = Never 1 = Sometimes 2 = Very Frequently

Digestive	Before After	Hormonal	Before After
Bloating after meals	___ ___	Hot flashes	___ ___
Always feel bloated	___ ___	Weight gain	___ ___
Constipation	___ ___	Irritability	___ ___
Irritable bowel	___ ___	Easily upset	___ ___
Hard Stool	___ ___	Easily stressed	___ ___
Acid Reflux	___ ___	Pain during intercourse	___ ___
Heartburn	___ ___	Vaginal dryness	___ ___
Burp after meals	___ ___	Blood sugar imbalance	___ ___
Diarrhea	___ ___	Hair loss	___ ___
Gas after meals	___ ___	Fibrocystic breasts	___ ___
Stress = stomach issues	___ ___	Uterine fibroids	___ ___
Food cravings	___ ___	Bloating	___ ___
Chronic stomach pain	___ ___	Food cravings	___ ___
Lack of Appetite	___ ___	Depression	___ ___
Stomach flatter in am	___ ___	Hyperactive	___ ___
Ulcers	___ ___	Worry without cause	___ ___
Tired after meals	___ ___	Lack of libido	___ ___
Difficulty eliminating	___ ___	Feel sleepy after meals	___ ___
Occasional nausea	___ ___	Insomnia	___ ___
Difficulty w/ raw foods	___ ___	Memory loss	___ ___
History of antibiotic use	___ ___	Breast cancer	___ ___
Candida albicans/yeast	___ ___	Ovarian tumors or cysts	___ ___
Long birth control pill use	___ ___	Breast tenderness	___ ___
Long steroid use	___ ___	Mood swings	___ ___
Foul smelling stool	___ ___	Anxiety	___ ___
Food allergies	___ ___	Headaches	___ ___
Indigestion	___ ___	Night sweats	___ ___
		Acne	___ ___
		Yeast infections	___ ___
		Sweet cravings	___ ___
		Brittle nails	___ ___
		Ovarian pain	___ ___
		Endometriosis	___ ___

What should you do with the score? Decide which issues you want help with and contact an expert in weight loss and hormone balance. If you are suffering from a disease or condition that has not been evaluated by a Medical doctor, we recommend that you consult your physician.

WHAT'S WRONG WITH THIS PICTURE?



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Prescription Drugs Gone!	✓	?
Hormones Balanced!	✓	?
Zero Cost Marketing	✓	?
No Staff Needed	✓	?
No Increase in Overhead	✓	?
Not MLM	✓	?
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Packing On PR For Winter

By: Nancy Trent

Health is trending! It's always been a go-to New Year's resolution, and now, it's on the top 10 holiday gift list as well. How can you get some of the holiday cheer for your business? Pack on the PR for winter!

People are more likely to spend more during seasonal celebrations. As the winter season cools down, this behavior heats up and gift certificates are easier to sell.

Seasonal promotions provide a sense of urgency for your customers. They are quite predictable, making it easy to integrate into your marketing budget. They are also excellent for getting press coverage for your fitness center or program.

Plan Ahead - The holiday promotions are starting earlier and earlier every year. Lately, they start when the Halloween pumpkins disappear. In the media world, writing holiday stories starts even earlier than that. They are planning in the summer and putting finishing touches on them in the fall.

Consumer monthly magazines like *Men's Health* and *Shape and Fitness* have a 4- to 6-month lead-time. Holiday issues are out in November and on stands as early as October 15.

Weekly publications can have a 4- to 6-week lead-time.

Daily newspapers, radio and TV have lead-times of seven to ten days. Bloggers and websites could use a little lead-time, but their coverage is even more immediate.

Come Up With New Ideas - Christmas and New Year's are obvious holidays to capitalize on, but there are other ways to reach customers in the winter months because that is when workouts come indoors.

Give consumers reasons to come to your fitness center or use your equipment by sharing your tips and tricks for staying fit.

Motivate them to bring friends and family or upgrade their plans by challenging them and incentivizing them with gifts and discounts.

Journalists are people. Invite them to work out in your facility for free or

at a discount.

You can build these over time or change them daily. Just keep it interesting and newsworthy.

Keep It Human - Media love zany stories about people. Get to know your own clientele and see if they have any interesting stories to tell about how fitness has impacted their life. Chances are they do and they will be excited about the possibility of having their stories featured in the news.

Identify regulars who you feel you can involve. Ask them simple questions about their experience. Offer to take professional "before" and "after" photos for people starting new workout routines or trainers.

All of these will help you publicize their stories and get credit for your workouts.

Working For It - People love to feel they have accomplished something. Contests are a great way of getting people to work for something and win.

Generating daily, weekly or



Nancy Trent

monthly contests on social media, or where they workout, will keep them more engaged and excited.

Trying some of these ideas will not only increase traffic, but they will get you on the radar of media and start to create a year-round buzz.

(Nancy Trent can be reached at 212 - 966 - 0024 or nancy@trentandcompany.com.)

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Orangetheory Fitness Names David Carney As New COO

FORT LAUDERDALE, FL - Orangetheory Fitness, the energizing and fast-growing fitness franchise, announced it has appointed David Carney as Chief Operating Officer. Carney, a health and fitness industry veteran with more than 29 years of experience, joins the Orangetheory team with extensive knowledge in running multi-club operations, including the creating and implementing formal operational systems, as well as overseeing multi-unit creation and implementation of operating platforms in health, wellness and fitness companies.

"David's arrival comes at a serendipitous time, as Orangetheory continues to expand and strengthen the internal resources that bring value to our franchise partners," said Dave Long, Chief Executive Officer of Orangetheory Fitness. "He has a reputation as a leader who is collaborative, passionate and humble. Our entire leadership team unanimously believes that David is a stellar addition who can lead and inspire our franchise network towards success."

Prior to joining Orangetheory Fitness, Carney served as President and Chief Executive Officer of The Rush Fitness Corporation. In this role, he successfully led the company through a

complete organizational transformation while overseeing a \$50 million operating budget and managing 23 fitness clubs across three states. In previous leadership roles, Carney was responsible for overseeing full club operations of 50+ clubs, including asset management and large-scale studio renovations, creating corporate policies and procedures and developing strategies to improve financial performance for fitness companies in prominent regions across the nation.

Carney holds a Bachelor's Degree in corporate wellness and human psychology from the State University of New York at Cortland and completed his graduate coursework in the Exercise Science Department at the University of Massachusetts, Amherst.

With more than 124 studios, Orangetheory Fitness has transformed into one of the world's top fitness franchises. The 60-minute, heart-rate monitored, high-intensity interval training concept has helped tens of thousands of members lose weight, get toned and meet their overall fitness goals in a short amount of time. The fitness franchise has a presence in 28 states and is on track to open 500 studios by 2017. For more information, go to www.orangetheoryfitness.com.

Honor Yoga To Open In Pennington, New Jersey

PENNINGTON, N.J. - At the end of September studiOMango in Pennington will merge and open as Honor Yoga Pennington in the Hopewell Crossing Shopping Center. The new location will feature two studios for a variety of yoga practices for adults, children and families, a lounge area, a list of dedicated staff members, with more than 20 classes offered each week.

Honor Yoga was founded a year and a half ago by Maria Parrella-Turco and Melody Appel, opening their first location in Hamilton's Buckley Plaza. In the first year, over 1,500 people came through the doors of the Hamilton location, and Parrella-Turco and Appel began to explore the option of opening additional studios with fellow yogis interested in creating a healing, welcoming studio in their community.

Parrella-Turco and her sister, Laura Caponi, a partner in the Pennington studio, are both residents of Lawrenceville and plan to move to Hopewell next year. The sisters were interested in doing business together and focusing on their local community, leading them to select Pennington as a location for the new studio.

As Honor Yoga was looking to expand, they found the perfect location in Hopewell Crossing and found that

StudiOMango was only 500 feet away. Following the imperative practice of "Ahimsa," or not doing harm to others, the Honor Yoga team approached Julia Ruocco, Founder and Owner of studiOMango, with the opportunity to grow the Honor Yoga community in the area and come on board as a partner in the new location.

"I am so excited to partner with the ladies of Honor Yoga," states Ruocco. "Their passion for the practice is inspiring and their compassion for the community is unsurpassed! Together, we strive to create a space that is friendly and accessible, a place where yoga is for everyone!"

With two spaces in the new studio, Honor Yoga will offer classes for kids, tweens and teenagers, birthday parties, teacher training, Broga (yoga for guys), prenatal, Tai Chi, meditation, yoga for seniors, a variety of workshops, as well as all the traditional classes ranging from vinyasa flow and hot yoga to gentle, restorative and power yoga. The new studio will feature two studio spaces, additional programs, and more classes for local yogis to evolve their practice.

For more information on Honor Yoga and any of their locations, visit www.honoryoga.com.

Six Steps to Better *Member Motivation*

By: Retention Management

Retention. Retention. Retention. We hear about it. We read about it. We know it is a key element to improving profitably. But, where do we start?

It's important for all club owners and managers to study successful retention methods and employ them to their own environment. Let's focus our attention on one of the important elements to better retention:

Member Motivation.

According to industry reports, motivation is the trigger that ignites club membership. The key to member motivation lies in the extent you give your members what they are looking for. But... what are they looking for? There is no single answer to this question. Your members may have joined your club because they were motivated to lose weight, to look better or to simply experience the health benefits of regular exercise. Others

may have joined to meet people and make new friends. While still others may have joined to have a place where they feel they belong. In most cases, the motivation is emotional rather than intellectual.

Whatever the reason, it is vital that we take advantage of the member's motivation right from the start and reinforce his own motivation along the way.

1. Define Your Members! Understanding and leveraging the member's motivation affects retention. Take time to get to know your new members. Find out what motivated them to join your club. As part of the joining process, ask every new member to be specific in defining his or her fitness goals and objectives. Implicit in the motivation that inspires a person to join a club is an expectation that your club will sustain and support that motivation. You can't meet that expectation unless you know what it is.

2. Orient Your Members! The process by which a new member is oriented into the life of your club is a key factor in membership retention. According to IHRSA, every year our industry sells memberships to men and women who are not familiar with a fitness club and have not yet developed the habit of regular exercise.

Take nothing for granted. Make sure each member feels comfortable with every aspect of your club from locating the locker rooms and towels to signing up for a yoga class and scheduling a personal training session.

Provide every new member with a personalized introduction to your facility. The best orientation program is the one that is custom-made to a member's needs, not just a generic one.

3. Communicate With Your Members! An important element of retention that is often lacking is communication. The importance of ongoing communication cannot be stressed enough. Communication that supports your members' motivation supports member retention. It is recommended to periodically remind your members of their objectives, inquire into their progress as well as measure their progress.

One easy way of communicating with your members is through email. Obtain the email addresses of all of your members and send them messages regularly to reinforce their motivation. In addition to helpful health tips and information about what's going on in your club, notes of congratulations or appreciation are always well received. Do not forget social media as well. If you are using Facebook, Twitter or other platforms for your club, make sure your members are following to get the latest news and posts.

Another way to communicate with your members is simply saying "hello" and "good-bye" to them as they enter and leave your facility. I know you are probably thinking, "Come on, that's a no-brainer statement, I teach that to my team all the

time!" However, how often do you verify that it's happening all the time? Hang out in the various areas of your club and observe your team interacting. You may be surprised at how many members come and go without that all-powerful "hello" or "good-bye." If it doesn't happen, then it's not only a relationship opportunity lost, it may be a membership lost.

4. Recognize Your Members! Recognition and reward programs are a crucial part of successful retention strategies. Take advantage of every possible opportunity to recognize and reward your members. Recognition and reward systems that benefit a club's long-term members, frequent users and high spenders can be potent tools in making members feel valued and appreciated. Members who refer other members should also receive recognition and reward.

5. Motivate and Reward Your Members! Industry research shows that clubs are well advised to reward frequent club usage, particularly in the first 90 days of membership. No matter what the cost of membership is, members perceive that high usage equates to high value. There is a definite correlation between frequency of usage and perception of value.

Incentives are also helpful in circumventing termination. As stated in the report, many people leave a club simply because they have drifted away. Often, increased retention can be accomplished if the member is invited to rekindle his motivation and rewarded to retain his membership.

Complimentary guest passes, a club t-shirt or even a free re-evaluation are good incentives to motivate your members.

6. Celebrate Your Members! Whether you celebrate a member milestone, the day-to-day benefits of regular exercise, a new finding in health research or even a holiday, celebrations of any kind are always welcomed and enjoyed. Celebrations present you with yet another great opportunity for your staff to connect with your members and for members to connect with other members. Social media is a great way to share celebrations with your members. Facebook posts of member activity and success always attain increased reach.

Recognize that your members are motivated by their own individual goals, values and desires. Understanding member motivation and effectively leveraging it will positively affect your retention. Improvements in member retention, no matter how small, will enhance your club's revenue and profitability.

(Since 2001, Retention Management has made a huge difference in the success of clubs by helping them close the "back-door" by providing club members with ideas that make them happier members who want to stay rather than leave. Visit www.retentionmanagement.com)

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Programming For The “Fun Of It!”

Keys to Success for Multigenerational Adult Programming

By: Laurie Cingle, M.Ed.

Labeling members as over-50 immediately paints a stereotypical view of those individuals. In reality, many people over-50 are in good physical condition and exercise regularly; many people under-35 are in poor condition and need regular exercise. It's true certain fitness levels within certain age groups need to be communicated to differently and accordingly. Knowing this, programming for and marketing to all age groups at all fitness levels is not as difficult as some think.

Defining Your Market - Chronological and physical stages of life are not always the same. It is better to define your members by activity level or health status, not by

age. Research shows that over-50 people perceive themselves to be younger than their chronological age. It is not wise to market to “seniors” if you want the 50-somethings.

Diversity Between Age Groups and Fitness Levels - Special programs by age may not be necessary. It is better to provide programs in a wide range of levels at convenient times. For example, programming “off hours” for retirees may no longer work. This group may be involved in second careers, volunteerism or child/parent-care, so early morning and noon classes may be of more interest. Because we all age differently and at different rates, view all age groups as highly diverse. On a psychological level, we become more individuate with age. It is a mistake to

assume that, as we age, we become more alike. Typically, in our clubs, programs are often designed around narrow skill levels, interest levels and market segments.

Programs - To succeed, programs must meet the needs of all groups. Offer a broad range of program choices and intensities for the different types of people. Programming is not really age-related. It is health-, fitness- and functionality-related. Time of day will dictate participants. And, not all people want “programs.” The essentials of any successful program are:

- Champion** - All programs must have an enthusiastic leader.
- Marketing** - Begin 2 to 6 weeks prior to the start of a new or special program.
- FUN!** - Otherwise, why would anyone want to participate?
- Participants** should feel like they are part of a group.
- Goals** - Specific to the program, like attendance, calories or “points.”
- Recognize and Reward** - Name on the wall, t-shirt, certificate, etc.

When developing programs, only provide quality programs based on



Laurie Cingle

sound research. Keep abreast of trends that will appeal to all members. Most importantly, provide a welcoming social setting not based on stratified age numbers but rather on an individuals' health, fitness and functionality.

(Laurie Cingle, M.Ed., is a fitness business success coach, club consultant and a member of the Leadership Team at Akron General LifeStyles. Contact her at laurie@lauriecingle.com)

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Planet Fitness - Pg 2	www.planetfitness.com
Roundtables for EXecutives	www.rexroundtables.com
Sports & Fitness Insurance - Pg 23	www.sportsfitness.com
Susan K. Bailey Marketing & Design - Pg 13	www.clubads.com
The Step Company - Pg 11	www.thestep.com
Thin&Healthy's Total Solution - Pg 25	www.thinandhealthy.com
Visual Fitness Planner - Pg 15	www.visualfitnessplanner.com

Thanks and Appreciation

At CLUB INSIDER, we are excited to be in our 21st Year of this home-based health and fitness club trade newspaper! The thought that this newspaper was *founded to serve an industry I truly love*, and so that *I could become a Mister Mom for my son, Justin*, is still *intriguing and amazing* to us. I wish to extend our most sincere **Thanks and Appreciation** to everyone that's made this amazing run possible.

A very sincere **Thanks and Appreciation** go to **Rick Caro, Dr. Gerry Faust** and the **Faust Executive Roundtable #1** for helping me decide in 1993 what my home-based business would be. **Thanks and Appreciation** to my long-time friends, **Ron Hudspeth** and **Cathy Miller** of **Atlanta's Hudspeth Report** for the tremendous assistance they provided us during our *first 8 years of publication*. **Thanks and Appreciation** to all of the folks at **Walton Press** in Monroe, Georgia. They've done an absolutely excellent job for us all these years and have printed every one of our monthly editions! **Thanks and Appreciation** to all of our **READERS**. Sincere **Thanks and Appreciation** to our **CLUB INSIDER Advertisers**, past and present, for their kind and dedicated support of this publication. It's amazing to know that we have several advertisers with over 15 years of continuous advertising with us. Plus, we have one advertiser, **National Gym Supply**, with over 19 years advertising with us! We also want to say sincere **Thanks and Appreciation** to all of our **CLUB INSIDER Contributing Authors**, past and present, who've contributed *hundreds and hundreds* of excellent articles to help our readers with their Best Business Practices. **Thanks and Appreciation** to **IHRSA** for all it does.

Sincere **Thanks and Appreciation** to my son, Justin, who started working part-time for **CLUB INSIDER** when he was just 8 years old (helping with mailings). This young man, pretty much behind the scenes for 20 years now, has truly been a fantastic partner for his Dad in **CLUB INSIDER**. Justin does our editing, publication layouts, all of our website design and maintenance, all of our bookkeeping and subscription processing work, as well as archive management and anything else that needs doing, including writing eight cover stories per year.

Last, but surely not least, this writer who refused to fear failure when many told him he didn't have a chance of surviving the publishing business for even a year did survive. He would like to give sincere **Thanks and Appreciation** to the power that made that survival happen: **God**.

Very sincerely, with love in my heart for you all,

Norm Cates, Jr.

3 million Xbox One consoles sold.
1 million Xbox Fitness users discovering MOSSA.
1 thousand happy health clubs running 4,000 MOSSA programs.



Rich Boggs, CEO of MOSSA
(fka Body Training Systems)

Cathy Spencer-Browning, VP
Programing & Training of MOSSA
(fka Body Training Systems)

Terry Browning, President of MOSSA
(fka Body Training Systems)

For over 25 years BTS (Body Training Systems) has been delivering innovative and popular products and group fitness programs for health clubs around the world. Xbox One has recognized our commitment to engaging club members and creating an exciting atmosphere that gets people moving and, more importantly, gets results. Xbox One wants the same things for its new Xbox Fitness. We have welcomed Xbox One's desire to get people healthy and fit, whether it's in the comfort of their own home or in our customers' gyms.

BTS, through Xbox Fitness, is proud to launch MOSSA. Call it a hipper, cooler, more relevant name than Body Training Systems, but MOSSA still comes with your longtime friends, our dedicated team, and our never-ending commitment to giving you the best group fitness programs on the planet!

For more information visit www.MOSSA.net or call
800.729.7837 from US & Canada. Everywhere else 770.989.4700



Secrets Everyone Should Know About ALS!

- Every 90 minutes, someone is diagnosed with ALS in the United States;
- The incidence rate is nearly identical to Multiple Sclerosis (MS);
- However, unlike MS, there are no effective treatments for ALS;
- Funding for ALS therapy development is urgently needed to move promising research forward.

Augie Nieto, the bravest man in the fitness industry, after eight years of not being able to move his arms, legs or breath on his own, is winning! His legs and arms are moving!

For anyone who has made \$1 in the fitness industry, we owe Augie Nieto, the trailblazer. Without men like him, we would not have an industry such as ours in which to thrive.

Augie brought the Life Fitness Company to the world!

All cardio grew from there.



Mike Grondahl

I know a little bit about today's industry, where 80% of usage comes from treadmills, bikes, ellipticals and arc trainers. Where I used to work just hit 5 million members and 700 units. Everyone in the fitness industry, from independents to chains and manufacturers, needs to show financial support.



YOU HAVE TO GIVE TO GET AND WHAT BETTER CAUSE!

THE GOAL

I asked Augie, "What is the most ever raised for ALS?"

He said, "\$6,000,000."

Then what should our goal be Augie? Knowing the answer any champion would give, he goes with, "\$6,000,001."

By March 14, 2015, we will raise \$6,000,001!



www.augiesquest.org