Norm Cates'
THE Club Insider NEWS
The Pulse of the Health, Racquet & Sports Club Business

U. S. POSTAL
BULK RATE PAID
PERMIT #3592

©

OCTOBER 1998
VOLUME V NUMBER 10

Todd and Faith Pulis (L to R) and Jerry Evans

Norm Cates'

THE Club Insider NEWS ©

The Pulse of the Health, Racquet & Sports Club Business

The Thoreau Club, Camp and Outdoor Center - a Pulis Family Work of Art!

By Norm Cates, Jr.

Todd Pulis and his family have been in business in historic Concord, Massachusetts for 48 years. Their business evolved from the beginning as a Summer day camp for 35 children to a truly world-class, multi-purpose complex providing a vast array of facilities, programs and services on a beautiful - breathtaking - 39.4 acre wooded complex. The story of this evolution from a small Summer camp to a 17-building complex offering a full service health, racquet and sports club, Summer day camp, and Outdoor Center is heartwarming. The most recent chapter of this journey, namely the construction of this brand new multi-million dollar complex, in just 7 months, is a testament to the vision, skill and determination of Todd Pulis, the President of Camp Thoreau, Inc. and his team. To properly tell their story is truly a challenge. But, to see is to believe and this writer will make his best effort to adequately convey to our readers the magnitude and excellence of the new Thoreau complex in Concord.

To describe the magnitude and quality of the new Thoreau Club, Camp and Outdoor Center adequately is tough. So, we asked two of our prominent and well traveled club industry friends, Rick Caro, President of New York based Management Vision, Inc. and John McCarthy, Executive Director of IHRSA, for their impressions, since all of us have recently toured the new Thoreau complex.

Caro commented, "It is unusual for any club owner to relocate any multi-sport club, especially with an equivalent or better site in the same town. When a club has a 40-year history, you want to retain some of the flavor of individuality from the past and simultaneously create a club which can be appropriate to meet the community needs of the 21st century. The Pulis family, (Todd, Faith and Jerry) have accomplished this and completed construction in under seven months. This is a rare feat. It is such a unique club; it should be viewed by all suburban owners who are marketing to the family market."

John McCarthy adds, "Todd and Faith Pulis have created one of the most extraordinary indoor/outdoor, multi-purpose family clubs in the entire industry. This is a club that could last 100 years!"

The Pulis Family Experience

The Thoreau story is one of a third-generation family of recreational and club operators, the family of Clifford and Dorothy Pulis. In 1951, Clifford and Dorothy Pulis began a Summer Day Camp for children on Hayward Mill Pond in Concord, MA. They set out to achieve two goals with their camp: to create an environment where each camper would experience the beauty and wonder of nature, and to develop a program in which each child could strive to achieve his/her personal best in a non-competitive environment.

Moving their business is nothing new to the Pulis Family. In 1960 Camp Thoreau moved (for the second time) to a beautiful 30-acre property on Old Marlboro Road. That site served the Pulis family and the community well for 38 years. The camp buildings and equipment were moved by flatbed trailer to the new site, and a man-made pond was dug, which served the camp's swimming needs for six years. In 1967, when the pond was no longer adequate for swimming, the first in-ground pool was constructed.

The Old Marlboro Road location put Camp Thoreau in a rural residential area. The close proximity and beauty of Camp Thoreau prompted the neighborhood residents to inquire about weekend access to the swimming facilities. At that time, Cliff and Dorothy invited their eldest son, Todd, to enter the business on a part-time basis to help develop and run a program called Camp Thoreau Family Swimmers. The new swim club offered swimming to members after the day camp hours during the week and on the weekends. This was the early origin of what is now known as The Thoreau Club.

In 1969, this summer only Club was expanded to include two tennis courts. Later, in 1971, Todd joined the family business full time to develop The Thoreau Indoor Tennis Club. Todd recalls one day in 1970 he and his dad were educating themselves on the "air structure" concept and were caught by Dick Trant snooping around and looking in one of Dick's furnaces with a flashlight. That episode started a lasting friendship between Dick & Todd. The two original courts at Thoreau were renovated to accommodate an air supported structure (a bubble). This design was selected to preserve the outdoor club environment in summer, yet be able to be indoors during the colder winter months. Todd and his Dad built a small club house to house locker rooms and a small lounge.

The neighbors and the community responded favorably to this small private club, and between 1973 and 1977 several expansions took place. The original building became entirely devoted to locker rooms and space was added for a nursery, fireplace lounge, snack room and some administrative offices. Four additional hard courts

(See *Thoreau Club* page 10)

The Lifecycle Exercise Bike Legend

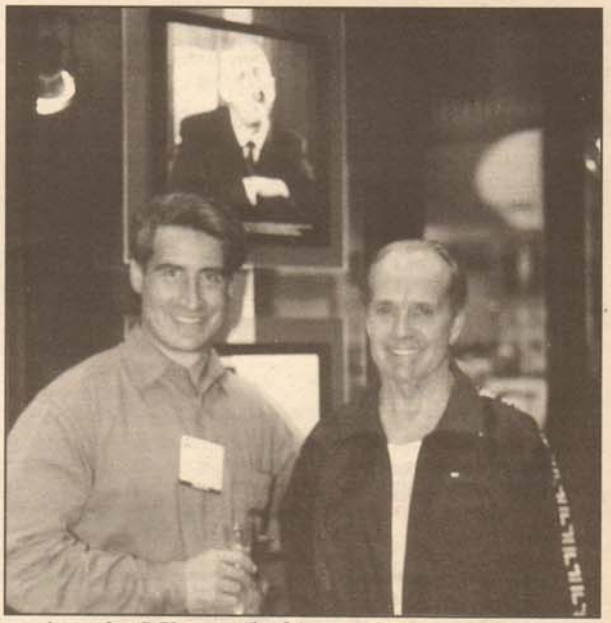
The Historic Start to the Heart of Cardiovascular Training

Born of great personal and financial commitments made by uncommonly smart and tenacious entrepreneurs, the Lifecycle exercise bike boasts a colorful history. As is true in many great product success stories, failure is a predominant part of the plot. But the Lifecycle bike and the legendary figures behind it persisted, eventually having an enormous impact on the health club industry and advancing fitness worldwide.

The electronic exercise bike spawned a boom in cardiovascular fitness in the early 1980s, which spurred remarkable innovation in cardiovascular exercise equipment and resulted in tremendous growth of health club memberships across the United States. Lifecycle, Inc. evolved into Life Fitness, the renowned global leader in designing and manufacturing a full line of reli-

(See *Legend* page 29)

Inside The Insider



Augie Nieto (left) and Ray Wilson

THE INSIDER SPEAKS

• EDITORIALS • "INSIDER MAIL" • COMMENTS •

Bob Provost Doing The 'Right Thing'

By Norm Cates, Jr.

Bob Provost will celebrate the 25th Anniversary of his Greenville Racquet and Fitness Club next February. To prepare for the next 25 years and to meet new local competition head on, Bob began a major expansion and remodeling of his club about a year ago. His expansion and remodeling plan included a major improvement of his fitness component. Bob will celebrate the Grand Re-opening of his club on Saturday night, November 7th.

Fourteen months ago, a new, 30,000 square-foot World's Gym came into the market about 2 miles from his club. The new competition came with a significant line up of cardiovascular, selectorized weight equipment and free weights. Reportedly, the owner of the new gym had inherited some money when his father passed away and had built the gym as a tribute to and in memory of his Dad.

Bob Provost had heard through the grapevine that the World's Gym was struggling and last February contacted the owner to offer to help out in the event he had to close. The World's Gym rent was in the neighborhood of $25,000 per month! The struggling World's Gym made it through the summer. Just barely.

Prior to Labor Day weekend they had posted announcements that they would be closed on Labor Day weekend, Saturday, Sunday and Monday. The reality was that the last day of the World's Gym's operation in Greenville, S.C. was Friday, September 4th. The World's Gym sold prepaid cash memberships up until Thursday night before Labor Day weekend, setting up another public relations nightmare for the fitness club industry when they closed without notice.

On the Tuesday after labor Day the World's Gym did not reopen. Bob Provost had already made his plans and had staff outside the World's Gym site so that the early birds could be directed over to his club to work out and in many cases, dress for work. At 5 a.m. on Tuesday, September 8th, Bob Provost began to honor all the World's Gym memberships at his newly remodeled Greenville Racquet and Fitness club. Bob comments, "We had our people there at 5 a.m. on that Tuesday morning. The ones that came to work out received a pass and directions to our club. We had somebody there for three days - all day - sitting out front of the locked doors."

A Great Decision For His Club And The Industry In General!

Yes, I wrote: "He honored ALL of the World's Gym memberships!" The monthly dues memberships, brand new prepaid memberships that had been sold up until Thursday before Labor Day weekend and all memberships in between, were honored!

Provost recalls, "I had contacted the World's Gym owner back in February when I heard he was having some financial problems and told him that if push came to shove we would be glad to help him out any way we could on the membership side. For anybody with a prepaid membership, we just flat offered to give them credit. If they paid $400 for a membership, they got credit for $400 against my membership. If they had a $300 membership, they got $300 credit. If they had a $300 membership with six months left, they got $150 credit. They could do one of two things: they could either just take the number of months that the $150

(See *Bob Provost* page 14)

Norm Cates'
THE Club Insider NEWS ©

October 19, 1998

Mr. Robert Provost
President
Greenville Racquet & Fitness Club
712 Congaree Road
Greenville, S.C. 29607

Dear Bob,

I want to take this opportunity to extend my congratulations to you for the decision you recently made relative to the members of the defunct World Gym in your community.

I realize that due to your exciting and now complete expansion and remodeling project the timing could not have been better to accept the World Gym members. However, some club operators might not have seized this opportunity in the manner that you did.

To honor all 2,000 of the World Gym memberships, even those sold for cash on the last few days of operation, was an unselfish act on behalf of not only your club, but on behalf of the former World Gym members and the entire industry at large.

I hope this happening will cause other leading club owners in markets across North America to look carefully whenever similar opportunities come in their communities. Even if several leading clubs team up to offer full credit services to the former members of defunct clubs, everybody will win in the end. Such leadership will advance the reputation of our great industry in the eyes of the consumers.

Our industry needs folks like you that will do the 'right thing' when more than just their own interests are at stake.

I look forward to attending your ribbon cutting and seeing the new-25 year old-Greenville Racquet and Fitness Club!

Warmest regards,

Norm Cates, Jr.

Norm Cates, Jr.
Publisher and Editor
The CLUB INSIDER News

P. O. BOX 681241 • Marietta, GA 30068-0021 • (770) 850-8506 • FAX (770) 933-9698
E-Mail: clubinsidernews@mindspring.com

•NORM'S NOTES•

5th Anniversary Celebration! That has a nice ring to it. Join us for The **CLUB INSIDER** News 5th Anniversary Celebration at the **Peabody Hotel** , Orlando, Florida on Friday night, December 4th, from 6:30 to 8:00 p.m. The party will be held in the Coconut Room on the Recreation Level of the hotel. We'll enjoy some food and adult beverages, door prizes and even a surprise or two. Be sure to make plans to attend the Annual IHRSA/Athletic Business Sales, Marketing and Programming Conference and Trade Show in Orlando, December 2 thru 5th. For information about IHRSA and the Conference and Trade Show, call: (800) 228-4772.

Here is a list of our advertisers that will be exhibiting at **IHRSA/Athletic Business** in Orlando and their Booth Numbers. Be sure to stop by and visit with them and contact our other fine advertisers as well whenever you are in the market for new products and services. **AFFILIATED ACCEPTANCE CORPORATION- Booth #100, BODY PUMP - # 1031, CARDIOTHEATER - #1131, HAMMER STRENGTH-# 901, LIFE FITNESS - # 901, MedX - #319, PACE GROUP EXERCISE PROGRAMS - #1051 and STAIRMASTER - #701.**

Apologies and corrections! Last month I incorrectly reported that **Club Sports International** partner, **Starwood Corporation,** had acquired 11 **"W" Hotels** and were installing large-upscale clubs in each hotel. Thanks to **ED WILLIAMS** of CSI for correcting my report by informing me that Starwood is **BUILDING** the hotels as new products. Ed also informed me tha the hotel projects will include day spas and fitness centers. The first "W" Hotel will open in New York City where CSI's **ANNBETH ESCHBACH** is spearheading the CSI development and implementation of the spa/fitness centerrs. CSI will manage the facilities.

Also apologies to **Muscle Dynamics** and **TERRY ROGAN** as we listed their Fax number incorrectly in our advertising information directory. The correct fax # is: (310) 323-7806.

TOM BRYANT has taken the helm as the new **CEO** of **StairMaster Sports Medical Products, Inc.** replacing **DON WANANT** who left StairMaster a few months ago.

RAY WILSON and his partner in Hong Kong, **ERIC LEVINE,** have bought out their partner, **1st Pacific Davies.** While Asia is going through serious economic times, Wilson's Hong Kong and Singapore **California Fitness Centers** are doing well and more are planned. Also, Ray Wilson's partners, **NEIL SCHOBER** and **RICHARD HART**, in the **HART'S ATHLETIC CLUBS** in Seattle, Washington, have sold the chain to guess who? **24 HOUR FITNESS!**

Congratulations to **AUGIE NIETO** and **Life Fitness** and to **RAY WILSON** on the **30th Anniversary of the Lifecycle** celebrated in Chicago at the **Club Industry Show** on October 16th. More hot news from Chicago next month

Original Lifecycle - 1998

I spent the day at **Bally Total Fitness** headquarters October 14th before the **Club Industry Show** in Chicago. I am on deadline now and I only have time and space to say I'm very impressed with the dedicated people I met. A full report on BTF is coming in '99.

GORDON JOHNSON and **SKIP JOHNSON,** co-owners of two **Gold's Gyms** in Douglasville and Marietta, Georgia, have announced the site of their third Gold's Gym location west of Atlanta. The facility will be located near the new **Arbor Place Mall.**

Work Out World celebrated the Grand Opening of it's 6th location in East Brunswick, N.J. The 25,600 square foot center offers a full line of amenities including **Body Pump.**

Congratulations to **HANNAH KARRAS, Business Woman of the Year, LIZ NEPORENT, Entrepreneur of the Year,** and **BONNIE PATRICK, Industry Enhancement Award** , all winners of **Club Industry's Magazine's Annual Distinguished Woman's Awards.** The award ceremony was held October 16, 1998 at Club Industry,'98 in Chicago. The keynote speaker was **ANNBETH ESCHBACH,** IHRSA's first woman President and director of marketing and regional manager of **Club Sports International. The Distinguished Business Womans Awards** are an effort to recognize some of the terrific women that play important roles in the commercial fitness industry. The creators of the awards, **KAREN WOODARD** and **JANET LOSICK,** are unsung heroes in this effort and should be honored and recognized in their own right for their creativity and drive in establishing this program with Club Industry Magazine.

Speaking of **KAREN WOODARD,** congratulations to Karen and her husband, **SCOTT** on their recent sale of their **Pulse Fit-**

(See *Norm's Notes* page 24)

(L to R) StairMaster Chairman, John Rutledge And New CEO Tom Bryant

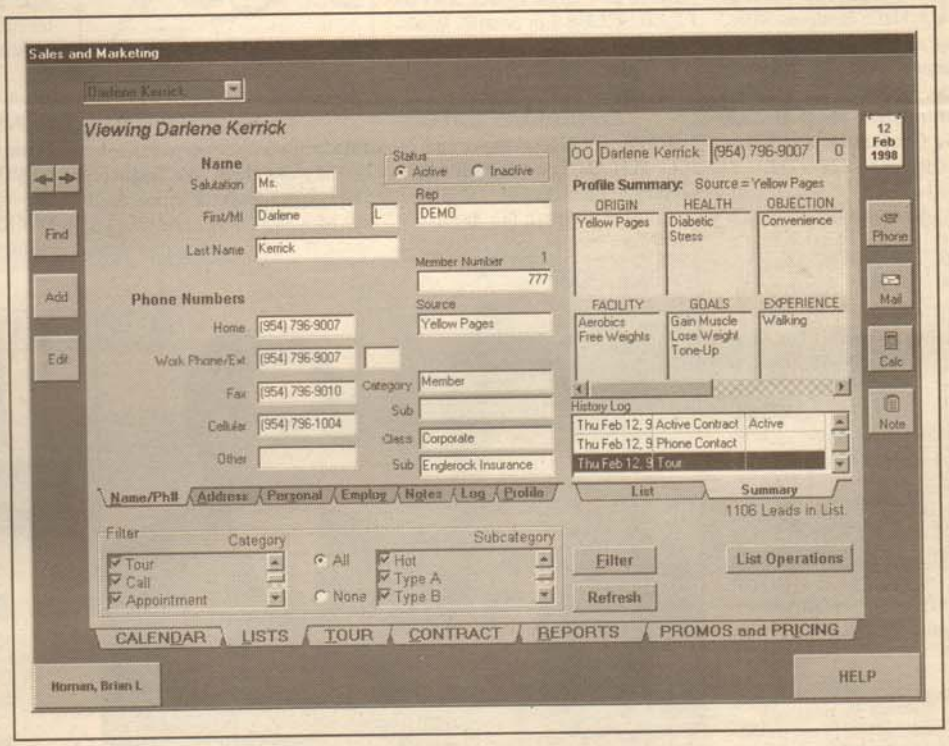
Norm Cates'
THE Club Insider NEWS ©
Established 1993

PUBLISHER: *Norm Cates, Jr.*
EDITOR: *Norman L. Cates, Jr.*
AD SALES REPRESENTATIVE: *Norm L. Cates, Jr.*
DATA INPUT: *N. Lester Cates, Jr.*
MAIL ROOM MANAGER: *Justin Cates*
ELECTRONIC SUPER HIGHWAY DIRECTOR: *Justin Cates*
CONTRIBUTING WRITER MGR: *Mr. Cates*
ADMINISTRATIVE OPERATIONS: *Lester Cates*
CREATIVE DIRECTOR: *"Chip" Cates*
EGO MANAGER: *Mr. N. L. Cates, Jr.*
COMPUTER LAYOUT DIRECTOR: *Ms. Cathy Brown*

Box 681241, Marietta, GA 30068-0021 • (770) 850-8506
FAX (770) 933-9698 Or E-Mail: clubinsidernews@mindspring.com

SEE $ALES SOAR!

TooLs Sales & Marketing Software maximizes sales results.



Building your company's sales is easy with the right TooLs.

Start nailing down those lost leads! Stop missing sales opportunities. Use TooLs ***Sales & Marketing Software*** to automate your sales efforts. Stay on top of appointments, track incoming and outgoing phone calls and maintain control with comprehensive reporting. TooLs *customer profile* feature gives you access to powerful information on every lead.
It's easy with TooLs ***Sales & Marketing Software***. TooLs gets results.

Call TooLs today and watch your sales go through the roof!

CALL NOW FOR A FREE 30-DAY TRIAL
800-811-8665

TooLs

TooLs Systems Management 3300 North University Drive, Suite 510, Coral Springs, Florida 33065
phone: 954-796-9007 fax: 954-796-9010

TARGET YOUR PUBLIC WITH BULL'S EYE COMMUNICATION

By Amy Redfearn

Not having a target public is like throwing a dart at a dartboard blindfolded, hoping to hit the bull's eye. Having a target public, but not knowing how to communicate to them is like playing the game without any darts. You may know exactly where that bull's eye is, but you have no tools to reach it. Both situations are bad.

There are business people who have a difficult time clearly defining their target publics. There is no such thing as a general public. There are no two people who think alike, or one message that can influence everyone in the same way. A public is comprised of a group of people who share a common interest, and even a target public can have subgroups within it. In advertising this group is called a target audience and in marketing it is commonly referred to as the target market. But in all forms of communication (public relations, advertising and marketing), a business needs to have a clear sense of its audience and what types of communication that will motivate it. Your target public may be classified by age, gender, ethnicity, education, income, employment, or geography. By picking a public and concentrating all your communications effort towards that one public, you will set yourself apart from the competition and that target public will be more attracted to your business.

As the fitness industry grows we are finding that people are no longer joining health clubs as a fitness trend, but now as part of their lifestyle. Just as people shop at certain clothing stores, such as the GAP or Banana Republic because it best represents their personality and style, people are now picking health clubs based on how it represents their lifestyle. This is also because there are several different options that are now available when choosing a health club than there have been in the past. It may have been safe to consider everyone your target public in the past, but with all the options of health clubs available to the consumer, this approach may now be dangerous.

For example, there once was a time when you could walk into a shoe store and just buy an athletic shoe without too much thought. Now you walk into an athletic shoe store and are faced with gazillion options concerning the type of shoe, support systems, colors, brands, styles and so forth. What happened?

Athletic shoe companies started to narrow their communications efforts and target specific publics. Nike started offering a little more variety in the 1970s, and then Reebok came into the scene by specializing in aerobics shoes in the 1980s. It would now be pretty difficult for an athletic shoe company to sell a shoe that was a generic basic athletic shoe. Consumers are looking for something more now, something that specifically helps them achieve the type of activity they enjoy doing.

There is a risk involved in specializing in a certain public. The public you have chosen needs to be large enough to support your business. Stanley Gold of L.A. Gear found this out when his company targeted its efforts towards fashion footwear. Adult consumers in the United States were not attracted to the wild, decorative footwear and soon L.A. Gear was considered a fashion shoe for young teenage girls. It has taken some time for Gold to rebuild his company since then, but because of this incident he was unable to compete on the same level of athletic shoes made by Nike and Reebok.

So when choosing a target public make sure that group of people will continue to grow and be able to support your business financially. For instance, if a health club targets all its communications efforts towards college students, this may not be in their best interest because college students tend to be transient and may only be living in the city for a short period of time until they graduate. However, this situation might be beneficial to the health club who has a chain of health clubs across the country. Make sure your target public will be able to support your business for a lifetime.

Amy Redfearn

Once you have identified your target public, make sure they are receiving the message you want them to hear in order to produce the result you want. Many times businesses direct their communications efforts to their target publics and do not receive the response they anticipated. For instance, if your target public is young professionals, but your health club consists of mainly seniors, this should tell you that your communications efforts are not attracting the target public you desire. When you see this happening, it's time to reevaluate your communications efforts.

This is a difficult task for most companies. Often a company will think it's doing everything right and sending out all the proper messages to attract the public it wants. If that certain public is not the main consumer, some companies will overlook this and continue to blindly send out messages that are inappropriate for that audience instead of evaluating the situation and trying to correct it. It takes much more courage for a company to admit it is wrong and fix its communications efforts than it does to ignore it and pursue the same communications effort it has been using for years (which now, may no longer attract its target public).

In order to determine whether or not your target public is receiving an effective message, you must conduct some research. Write down the name of your target public, followed by the current message that your business is sending them, then the current method in which you are using to send that message to them and finally the action you desire from your communications efforts. To illustrate how this may work, let's go back to the example of using the young professional group as the target public for MEGA Health Club:

•Target Public: Young Professionals

•Current Message: "Personal Success = Professional Success. Join MEGA Health Club and become a SUCCESS"

•Current Method: Advertising slogan in business section of newspaper, posters in club with slogan, free T-shirts with success slogan given away to members in this public (young professionals) every Friday and corporate discounts on memberships.

All of these communications methods sound great, but MEGA Health Club attracts more of the senior population than of the young professionals. In order for this business to assess why their target public is not responding to its communications efforts it must evaluate its methods more closely. This is where you have to be honest. You cannot possibly know what message your target public is receiving unless you ask them. This research can be conducted in one of two ways. You can hold a focus group which is a small group of individuals, usually 10-12, who volunteer to take part in a discussion lead by a professional moderator who asks questions pertaining to the subject at hand, or you can survey your members by using a questionnaire. Either way, make sure they are accountable for their feedback. In other words, do not accept anonymous "suggestions" or "com-

(See *Amy Redfearn* page 16)

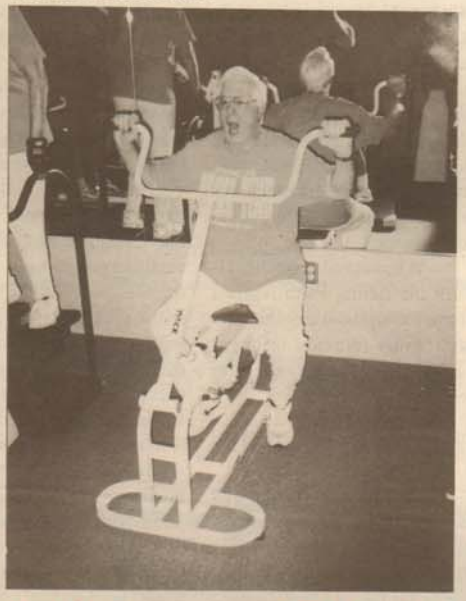
PACE

The Group Exercise Program for Every Body™

Anyone at any fitness level can do PACE

Seniors

Camaraderie, Fun, Safe
No Intimidation

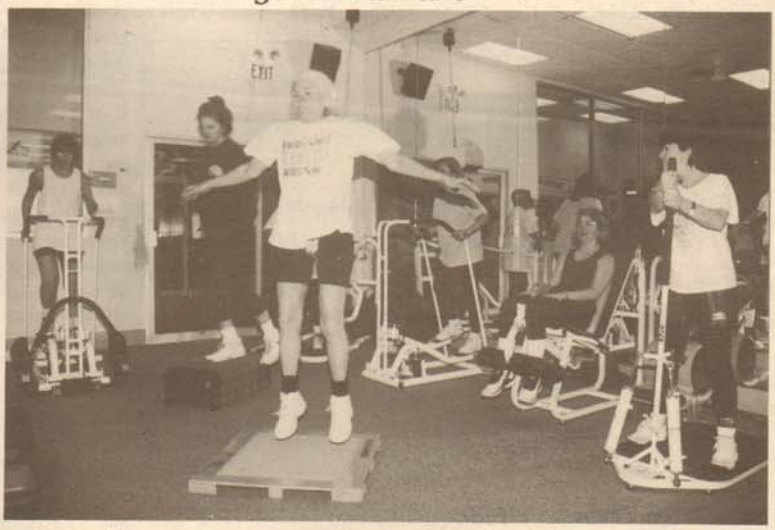


Overweight

User Friendly, Easy to do,
No Coordination Needed,
No Muscle Soreness,
High Calorie Burn

Fit or Unfit

Strength & Cardio Workouts Combined,
Time Efficient, Fun, Cross Training,
Group Exercise at it's Best



Attract New Members. Increase Member Retention. Increase Member Referrals. Increase Profits.

Call Pro*Fit Enterprises 888-604-2244 for a free PACE video & quotation on a PACE Program customized to meet your needs. Visit our website at www.pacepro-fit.com
Pro*Fit Enterprises has been recognized by the American Council on Exercise (ACE) as a Continuing Education Specialist.

...Thoreau Club

continued from page 3

and two outdoor clay courts were built.

During the summer of 1981, it became clear that the popularity of a summer membership was growing and that club members deserved a pool of their own. The decision was made to build a second outdoor pool.

In the mid 1980's, the fitness and health movement across North America was in high gear and everyone was getting into the act. Research and design began at Thoreau to determine the feasibility of offering expanded facilities and programs. Three and one half years later, "the last obstacles were overcome", and final approvals were granted. And in the spring of 1988, another segment of Thoreau's history began.

The new expansion opened in June 1988 and it was everything and more than was envisioned. First, the 1300 square-foot Fitness Center was constructed from lower level basement and storage areas. The fitness area contained the latest variable resistance equipment, as well as Life Cycles, StairMasters, treadmills, rowing machines and small hand weights.

Next, construction began on an indoor/outdoor pool covered with an air structure, a 4500 square-foot clubhouse addition to include a pool viewing lounge, additional locker rooms, aerobics studio, membership office, tennis center and front desk area. It opened November, 1988. The members were truly excited and strongly supported the new programs and club enhancements.

In the early 1990's, it became clear that new opportunities to serve existing and perceived new markets had been identified which would require additional facilities: Experiential Education, Leadership Training, and Corporate Outings, to name a few. In addition fitness space was at a premium and day camp needed more indoor space. Unfortunately special permit and zoning restrictions were beginning to impede growth. These restrictions included membership and facility limitations. During 1991-1995, Todd Pulis made numerous and serious efforts to work through zoning and special permit issues and to gain neighborhood support for additional facilities. These efforts met with discouraging results. It became apparent that future growth would be severely limited at the Old Marlboro Road site. Thoreau was at a crossroads. The choices were to stay at the present location with existing facilities and potentially risk further limiting opportunities for the future, or to take a bold step and commit to a long-term solution, which would position the company to take advantage of growth opportunities as they were recognized by future generations.

Faith Pulis, daughter of Todd and Brenda Pulis, is now working into the leadership role of Camp Thoreau, Inc. Faith grew up on the 30-acre Thoreau complex on Old Marlboro Rd. in Concord, MA. She began working at Thoreau during high school at age 16. She worked in the bookkeeping department and in the summers as a camp counselor and water safety instructor. Also, while attending Springfield College, she spent her summers working at Camp Thoreau and at Camp Massasoit, the Springfield College day camp. Camp Massasoit provided her with a very different perspective because it was an inner city camp and contrasted greatly with Camp Thoreau in affluent Concord. In 1984, Faith graduated Magna Cum Laude from Springfield College with a 3.94 G.P.A. average out of a possible 4.0! After graduation she worked at virtually every job at Camp Thoreau, Inc., including the front desk, men's tennis programmer, aquatic director, co-director of the day camp, membership sales and assistant general manager. She was promoted to General Manager of Camp Thoreau, Inc. in 1989, and Vice President in 1997.

Faith comments, "It was easy to get a sense and feel for the philosophy and culture because I grew up in it. It wasn't like I had to come into another organization and say, 'Well-gee, how am I going to fit in, how am I going to adapt what my values are to this company's values?' It was kind of inbred."

As Vice President, Faith is now responsible for the new multi-million dollar Club, Camp and Outdoor Center mega-complex. She is fortunate, however, because her husband, Jerry, is responsible for all aspects of the physical plant. And that is a huge job consisting of 17 buildings, 11 tennis courts, five pools, three air structures and 40 acres of grounds. Faith and Jerry have been married 11 years and have a 6-year-old son, Steven.

We asked Faith what she felt her biggest challenges were. She responded "We've built an incredible facility with more potential than we originally imagined. (But we also have the debt to go along with it.) My goal is to work with the staff to seize opportunities and begin to provide a return on our investment. Before when we would come up with creative ideas there were many times when we just couldn't execute them because of facility limitations. Now all that has changed. Another challenge is to make sure the three entities, the Camp, the Club and the Outdoor Center are evenly balanced. They're each so different. For example, we spend 9 months preparing for a Summer Day Camp that lasts 9 weeks! On the Club side, we are constantly marketing, promoting and programming every month. The club does not have a down time. The Outdoor Center is brand new and needs a lot of start up attention. Each entity is in a different stage of its lifecycle, and I have to respond according to each one's individual needs."

Todd Pulis at Thoreau

When asked about her vision for the future, Faith replied, "To have fun and continue this successful family tradition in hopes that a fourth generation will wish to keep our vision alive."

THE GUTS TO GO!

Todd and Faith Pulis and her husband, Jerry Evans, made the decision to commit for the long term and provide the opportunity for future generations to grow. In October 1996, Todd began a search which identified a large parcel of land in Concord, known as Forest Ridge. Negotiations commenced to purchase 39 acres and at the same time a conceptual site design was started. The filing of applications to receive the necessary town approvals was also underway. In May 1997, negotiations were completed and on September 25, 1997, the sale of the Old Marlboro Road site and the purchase of the Forest Ridge site were finalized. The objective: to relocate the entire Camp and Club operation to the new site by May, 1998.

To know Todd Pulis is to know a man of very conservative business practices. A man who carefully measures each step and plans his every move. Therefore, to learn of the risk he has taken on and to see what he built in just 7 months is truly exciting and stunning!

Once Todd Pulis and family made the go decision, Todd's life changed quickly and as he says "forever." He worked many long hours during the months after the Forest Ridge land was purchased, the planning was being done and the construction was in progress. Pulis recalls the experience, "In 1991 we knew we had to expand and offer more diversified programs in order to keep our members happy. We were and still are, in my opinion, an emerging industry and I don't think we even know today the bounds of that industry. We recognized that we needed to do something. We also recognized the emergence of corporations going out of their business environments to a recreation environment to have fun and do some team building, organizational development, strategic planning, leadership training, and ropes course types of things. We knew that was the direction in which we wanted to expand, but we couldn't. Our efforts to change our special permit restrictions was met with insurmountable resistance from neighbors. I can remember the day in 1996 when I came into the office and said to Faith and Jerry, 'We are just beating our heads up against a stone wall! My head hurts so much now that I don't have the energy to continue to fight! My recommendation is that we pick up sticks and move. I don't know where or how, but I'm going to find a way to do it!' It was a tough decision, probably one of the hardest decisions I've ever had to make. We really enjoyed where we were and things were going well for us. The idea of disrupting the whole thing and moving caused an element of fear.

(See *Thoreau Club* page 12)

...Thoreau Club

continued from page 10

We considered just selling the property to developers and going on to do something else. But after talking to Faith and Jerry we all agreed that we really wanted to continue the business. I had made the commitment to go beyond my generation and wanted to make sure that we would go beyond Faith's generation. I was looking ahead for the next 25 to 50 years. We needed to position ourselves to do that. I think that was a turning point for us where we really set a vision for the future and the goal of moving the operation elsewhere. We knew we wanted to stay in Concord since we were well known and perceived as an asset to the community. So, in June, 1996, we started a search. Forest Ridge Limited Industrial Park was virtually the only land opportunity in Concord that potentially met our needs. The first time I walked the land I fell in love with it. I knew then that if we were going to move, it would be to Forest Ridge.

A FAST TRACK TO SUCCESS!

The walk in the woods of Forest Ridge started a process for the Pulis family which could only be described as 'fast-track.' Pulis recalls further, "We negotiated to buy the land from September, 1996, to May, 1997. We knew that once we committed to buy the Forest Ridge property and sell the Old Marlboro Road land there would be no turning back. If we failed we would be without a home. We knew 100% of our focus and energy would have to be directed to this vision. While at the same time, continuing to operate our camp and club until we could actually move into the new facilities."

Pulis continues, "It was just an incredible journey for us. The period of time from September, '96 during that first walk, to signing the land purchase and sales agreements in May, '97, starting construction in October, '97, and moving and Grand Opening in May, 1998. It was nothing short of a miracle! Our theme throughout the whole process was, 'Failure is not an option.' How true that was because the Old Marlboro Road property would immediately be developed as a residential development, and our temporary lease to operate the existing operation while we constructed our new facilities would run out the end of May. We literally had no place to go if we failed. That theme carried us through the entire project. To meet our time sensitive deadline we had to pray for a mild winter and develop an incredible relationship between our General Contractor and Subcontractors. It was probably one of the most cohesive teams I've ever worked on. When we started construction we still did not have fully completed drawings. We went on good faith and a handshake and didn't even have a written contract with our General Contractor. We had a great local architect, and our local bank loaned us the money we needed. The results of our project are impressive. We made our time schedule, but we spent a little more money than we had planned."

We asked Todd Pulis to share with us any lessons he had learned from this experience. He replied, "There is no substitute for advanced planning. We had to move fast if we wanted to move to the Forest Ridge property by spring and as a result yielded the opportunity to plan the project more carefully. Thus we spent more than we had originally intended. The other lesson I've learned is that teams do work. It is possible to assemble teams and accomplish a common goal. As Clay Hamner use to say 'same bed - same dream.' It is possible to do the impossible!"

The Thoreau Outdoor Center

Off-site ventures are a fun way for people in busy organizations to focus exclusively on their objectives in a positive and natural setting. Thoreau staff believe this and annually have an off-site retreat where communication, team building and strategic planning are the primary focus. The opportunity to plan a conference and retreat center into their mega-complex was very exciting recalls Faith Pulis. "We were able to nestle a contemporary reception and conference facility in to the tranquil woodlands to create an atmosphere suitable for a variety of special events and programs, from family reunions and company picnics to conferences and team building sessions." Beech Cliff Lodge, named for the Camp Thoreau's resident boys camp in Maine, provides guests the warmth and comfort of home. A two story stone fireplace, white birch wood trim, with cream and hunter green decor creates a simple elegance for the 2720 sq. ft. banquet room. A 644 sq. ft. meeting room, large reception area, and full service catering kitchen round out the amenities available for off site groups.

The ropes course at the Outdoor Center offers a variety of challenging and adventurous activities for companies looking for an alternative to 'classroom learning'. Low Ropes and High Ropes activities are combined to create a progression of learning that challenges participants to do new and interesting things they may not have considered before. These hands on events allow a corporate team to examine how it communicates, plans, works together, handles difficulties, and celebrates successes. Because the exercises are symbolic representations or metaphors for the real work of a team or organization, the events are powerful tools for examining and improving team work.

The Thoreau Outdoor Center will facilitate sessions in such key issues as organizational development, strategic planning, team building and risk taking. Or for the more social event, it's a great place for a holiday party, summer picnics or barbecues, reunions, or receptions. Clifford Pulis, retired founder of Camp Thoreau, describes it: "When you leave the office environment and get out into the country, you have the opportunity to stretch your legs and your minds."

Camp Thoreau

Thirty nine acres of varied, rustic terrain await Thoreau day campers, who learn to interact with the environment through play and discovery. Campers love the simplicity of the old fashioned atmosphere, where tents, teepees and cabins dot the landscape.

From Camp 101 for ages 3.5 to 4yrs., 11 mos., to Neverland ages 4 - entering grade 1, Middle & Upper Camps, grades 2 through 8, campers enjoy traditional day camp programs. These activities include archery, arts & crafts, basketball, drama, swimming, sports & games, sailing, outdoor cooking, nature, ropes course and special events. New at Camp Thoreau this year were Horseback Riding Camp, Tennis Camp, and Adventure Camp.

An archery range, soccer and softball fields, 2 swimming pools, diving well, 2 arts & craft cabins, nature cabin, 4 changing cabins, 15 platform tents, 2 teepees, drama pavilion, amphitheater, Low Ropes course and High Ropes course are among the many features of this American Camping Association Accredited Day camp.

What's Next For The Pulis Family?

The magnitude of the 17-building Thoreau Complex can be visualized without even being there. Picture an arrival from a two-lane state road onto a beautiful one-mile drive into the woods now called Forest Ridge. Imagine, when you arrive at The Thoreau Club, seeing a clubhouse that looks like a large mansion with a swimming pool on the left of the entrance and tennis courts on the right. Enter the main lobby and you are immediately drawn to a beautiful stone fireplace to the right and a white birch wood trimmed reception area with a high atrium ceiling, skylights and an airy feeling throughout! Arriving at the new Thoreau Club, Camp and Outdoor Center is an event in and of itself! The place looks and feels like a world class resort. The land surrounding The Thoreau Club, Camp and Outdoor Center is all forest. In fact, there is a proposal to place a 15-acre conservation buffer between the Thoreau Complex and neighboring residential areas. The land encompassing The Thoreau Club, Camp and Outdoor Center is gently rolling and wooded with paths throughout. The paths have been there since the Civil War when they were actually railroad tracks for the Union gun powder mill located on the property. Todd Pulis and his planning team have done a terrific job of preserving the natural assets of the property and have used great care in the creation of this lovely, and I'll bet one day, award winning environment!

What's next for the Pulis family? We asked Todd Pulis. They are going to sit down and begin to understand what they have created and how best to market and promote it. For example, the Outdoor Center will provide a terrific environment for private functions: banquets, corporate retreats, weddings, birthday parties, reunions, holiday parties, etc. Camp Thoreau, Inc. has exceeded budget expectations for '98 and it appears that this income growth will continue into the next century. The Outdoor Center and Conference Facility should grow and become a major contributor to Camp Thoreau, Inc. along with Camp Thoreau and The Thoreau Club. Other areas such as Personal Training are now ripe for growth at Thoreau. As time goes by, it is expected that many more opportunities for business growth will emerge for Camp Thoreau, Inc.

Todd Pulis comments, "We're in the process of taking a look at our organizational structure and determining how best to restructure the company to reach its optimum as quickly as possible. Clearly it's a new ball game. We are significantly larger and there are many more opportunities than before. We are now going well outside the family and engaging people with expertise in certain areas. For the first time, this year we hired a marketing firm to work with us and it has been a great benefit. We're large enough now that we must have this support in order to meet our goals. We have doubled the size of our sales team and are hiring additional staff to accommodate our recent growth. My comment to you, Norm, about not knowing the extent of our opportunities, I believe that. We had a vision of creating a new facility that would incorporate all the great aspects of the former enterprise. We wanted to take our company from a 1970's vintage and upgrade it for the new millennium. We wanted to bring with us the ambiance - the concept of being an extension of people's homes, the friendliness of the staff, the feel of the comfortable environment we had created. People who've seen our old facility would say, 'Gee, this is like a ski lodge.' That was O.K. from 1971 to the mid-1990's, but it was time to change for the future. We took all those warm fuzzy feelings that people had about why they wanted to be at Thoreau and we created an atmosphere of simple elegance.

Thoreau Philosophy and Staff Training

It is by no accident that the Thoreau facilities are designed to be an extension of one's home - comfortable, friendly, clean, and pleasing to the senses. The residential architecture, the big stone fireplace, the lounge, the openness. Thoreau strives to make people feel "at home." After all, the club is a 'third place' right? Home - work -the club, that's the feeling Todd and his team have created.

The Pulises have established a reputation of excellence by providing Thoreau families with a friendly, fun place to be, and by offering programs of the highest quality possible. They know from experience that their outstanding environment, programs, and facilities are further enhanced by the attitude and behavior of their staff. Each employee has a specific job,

(See *Thoreau Club* page 22)

PROFESSIONAL RECEIVABLES MANAGEMENT

AAC Success Track®

SERVICE PROGRAMS

Best in the business...and we can prove it!

EFT
Electronic Draft
25¢
PER PAYMENT

Mastercard/Visa
Electronic Debits
60¢
PER PAYMENT

"Mail-In" Payments from Coupons
$2.00
PER PAYMENT

AAC Quick Cash©
REVOLVING CREDIT LINE

Call BUSINESS DEVELOPMENT Today!

INTERNATIONAL TOLL FREE

1-800-233-8483

AFFILIATED ACCEPTANCE CORPORATION

International Operations Facility

Main Post Office Box 419331Kansas City, Missouri USA 64141-6331

FAX: (816) 753-1429 E-MAIL: 74041,2525@compuserve.com WEBPAGE: http://www.affiliated.org

HELPING MEMBERS SUCCEED

By Tom Cotner

I waited in the cold, barren lobby of a large manufacturing plant for my sales appointment with the personnel department. A few worn magazines were scattered atop the coffee table. Cigarettes and ashes overflowed onto the table from the ash tray. The two front desk receptionists frantically fielded phone calls while fumbling through the papers left by the executive in the back office. Smiles were absent. Tension filled the air. "This is not a fun place to work," I thought. Clickity clack, clickity clack ... the high heels of the personnel director raced down the hall. "Mr. Cotner?" she said sharply, "follow me." Papers were scattered about her desktop and she was obviously pressed for time. "So what do you want?" she asked. Quickly, I got out my ice pick and gently, but deliberately, chiseled away at the thick sheet of ice between her and me. I didn't get far. This indeed was one cold employee working in a cold, cold place.

We walk into businesses daily. We can tell in a minute or two if we are truly cared for. Are the employees enjoying their jobs? Are they attentive to our needs? Is a bright, fun presence in the room? If yes, chances are excellent that the leadership team loves us, the customer, and their business is more than "a money machine." Whether they know it or not, organization's wear their values on their sleeves. There are no secrets in Corporate America (or in club life). In time, the truth is seen by everyone.

Their greatest determinant of your club value to members is not the programs or facility but your answer to this question: do you truly love them? All of your planning, day to day working, problem solving, financial sheet analysis, spread sheet development, revamping of facilities...all of these mean nothing unless they are done out of love for people because in the long run, that's all you'll be remembered for. I've worked at five different health and fitness centers and the only thing that's lived on after I left has been my relationships with others. If they were positive, I made a difference. If they were negative, somewhere along the way, I failed to connect and didn't make an impact.

We in the club business have a great opportunity to love. What other business spends up to three or more hours a week with their customers? What other business can produce, if used correctly, such positive physical, mental and social results? If we in the club business, who have such great opportunity, fail to care for people, then we've indeed "dropped the ball." We've fumbled! And in all honesty, we don't deserve success.

Answers these questions to determine your club's "love quotient."

True or False:

____ I am truly concerned for the welfare of the people who come into our club on a daily basis.

____ I see our club as more than a business. Our club is serving a meaningful purpose in life.

____I am in the club business because I like it. Of all the professions in the world, this one's near the top.

____ I can look back on my tenure in the club business and see at least one or two members and/or staff who's lives are significantly better because they were part of our club.

Add up the number of "True" answers and score below:

One true statement = You're in the wrong business. This is a people-business designed to serve and assist. You're not seeing the club industry, this way. You, have two options: 1) jump into the hot tub and warmup to your customers, or 2) consider other employment where loving people isn't so critical.

Tom Cotner

Two true statements = You're a mediocre lover. Increase your "caring quotient" by reflecting on why you chose the club profession. If you're not contributing to the love of others, you're probably taking it away. Change the balance!

Three true statements = You care. That's good. You're a true club professional that's making a significant contribution to our industry. Take care of yourself too, so you can avoid becoming "frazzled" and "burnt out" which will extinguish your flame.

Four true statenents = You've figured it out, haven't you?! Somewhere along the way you determined that loving members was the most important thing you can do on a day-to-day basis. You will be remembered. You're making an impact and it's ever lasting. Whether your business succeeds or fails (sorry but love is no guarantee of dollar success, only customer success), you've made an everlasting difference in the lives of people. And when it's all said and done, that's all that really matters.

Love your members by following the Golden Rule: treat others exactly as if you were them!

(Tom Cotner is the President of Employee Health Management, Inc., a consulting firm specializing in worksite health and wellness. He is the author of the book Helping Members Succeed. Contact Tome at (605) 692-2071.)

...Bob Provost

continued from page 4

would cover at my dues or they could convert and take credit for that $150 against the purchase of a one-year membership and they would then not be subject to any initiation fees at a later date. The real bitter people were the people who had bought their memberships in the last two or three weeks.

I was at the facility on the last day of operation, Friday before Labor Day weekend, and I was told by one of their sales consultants that he had sold over $6,000 in memberships in the last week himself! But, we honored them all. So far we have had only 47 people that have come in and said they want to work off their membership. Four hundred of their 2,000 membership list were on a corporate membership program with the Michelin Corporation. We negotiated a new arrangement with Michelin which will put their members on a payroll deduction plan. We expect to enroll 300 of the 400 from Michelin. And, Michelin is subsidizing those memberships for their employee's benefit.

Anybody that was on a monthly plan, for example if they were paying just $20 per month and had six months left at that rate, we honored them for that period at the $20 per month. The first few days were difficult because they were so P.O.'d they would come in wanting to kill the World's Gym owner. We had to listen to them and help them work through their anger. Then after that, they'd go all cuddly. They really appreciated it. Some of them went to the Greenville News Piedmont and wanted them to do a story on us! People do appreciate it though. They could not believe it when we would say to them, 'You signed up last week? You get 10 full months at our club. Our normal fees are $42 per month for a single fitness membership so the $400 covers 10 months.'"

Bob Provost's decision to honor the World's Gym memberships unequivocally is one that will produce great benefits for Bob and his organization now and in the future.

One immediate benefit is that Bob was able to negotiate a new lease with Life Fitness for a truck load of virtually new Life Fitness equipment. He just finished moving 12 Life Fitness Treadmills, 10 recumbent and 8 upright Lifecycles and 6 Life Steppers to his club. This line of Life Fitness equipment fits perfectly into Provost's overall expansion and remodeling plans.

Other good things will come as well, such as the deal with Michelin. Bob's community and our industry will look at Bob Provost and his operation as 'there to stay,' a reputation which will without a doubt help his club in the future.

Ray Gordon, the founder of Sales Makers, has worked with the Greenville Racquet Fitness Club for years, Ray comments,

"Bob Provost and his family operate their Greenville Racquet and Fitness club with high values and ethics. Bob recognizes that the selling of memberships doesn't mean high pressure or wheeling and dealing. The fact that they took a risk and honored the memberships of the defunct World Gym without a big sales "hook" illustrates just how dedicated Bob and his family are to good industry ethics and values ."

The CLUB INSIDER News extends sincere congratulations to Bob Provost for making a decision that was unselfish, community minded and just plain old the 'right thing' to do in the situation. Way to go Bob!

Bally Total Fitness Says Business Remains Strong

Chicago, IL. - September 22, 1998- Bally Total Fitness (NYSE:BFT), commenting in response to investor inquiries, stated that the Company's business and operating results continue to be in line with business plans first articulated in early 1997. Further, management indicated it knows of no business reason why its stock experienced the level of volatility and volume of trading it did on Monday, September 21. Management continues to be excited and optimistic about the Company's prospects and financial condition, and has already repurchased approximately 450,000 shares under its announced 1.5 million share repurchase program.

In recent weeks rumors have linked Bally Total Fitness with unfavorable stories related to other companies' accounting issues. But, countered Lee Hillman, President and CEO of Bally Total Fitness, "This is just plain wrong. We continue to see success from the execution of, and are on target with, the business plan we implemented over a year ago. We have reminded investors of the fact we adopted, and have been faithfully applying, the appropriate accounting policies for membership businesses. Any rumors concerning our accounting to the contrary are totally unfounded, and the Company knows of no reason to change its already conservative accounting."

Amy Redfearn

continued from page 8

anonymous "suggestions" or "comments". These are useless since you will have no way of knowing whom the comment actually came from. When doing specific research about a specific public, you must be assured that your data is coming from that group to avoid error in your findings.

In the example of MEGA Health Club, various "young professional" members were interviewed and asked if they were aware of the club's message to them,"Personal Success = Professional Success," and if so, then what that meant to them. Here is some of the feedback they received:

•"How can we be a success when you don't open the club until 7 a.m.? I have to be at work at 7:30."

•"I didn't know you gave away free T-shirts. I go out of town for business almost every Friday."

•"All your group fitness classes are over by 7:30 at night. I don't even get done with work until 8."

•"There aren't any programs to help us become more successful with our workouts. I already know the basics, but you don't offer anything to help further the learning curve."

•"I didn't know there was a corporate discount."

•"I never read flyers on the wall. I'm too busy reading the paper."

•"I'm already a success. I've been working out for years."

After gathering all this data you can see some of the reasons that this club may not be attracting the young professional group. But now they have tools to develop a new message and a new way of delivering it. For example the MEGA Health Club might extend its business hours during the weekday mornings to attract young professionals and also add some late night and early morning group fitness classes to the schedule. They could also redesign the flyer and make it into a weekly newsletter for the young professional members only, so that it would be something they would pick-up and read, like the newspaper. In addition to their regular personal training programs, they could add specific training programs for young professionals that are designed to take them to the "next level" in their workout routines. They could give away their T-shirts on Monday instead of Friday. And they could also change their slogan to, "MEGA Health Club. Helping You Become MORE Successful." It is important to remember that opinions and circumstances change over periods of time, so you would conduct this research about two or four times a year. You might have to change the way you communicate to your target public from time to time as they change their attitudes and continue to grow in size. But don't conduct research like this and then do nothing with it. That is perhaps more aggravating to the consumer than ignoring the situation in the first place. When consumers are asked to give their opinions about a service or product, they are expecting to see change based on their recommendations. When they do not see the change, that is like throwing your dart at the wall not at the bull's eye on purpose. You know what they want but refuse to do anything about it. This is probably the worst message you could send your target public.

Listen to your target public and seek to understand them before trying to communicate to them by conducting research. Then develop a plan of action, implement that plan and evaluate the change against your original objectives. This process will save you money and time, and will make your business an even greater success.

(Innovative Concepts & Consulting develops programs and campaigns specific to your target public. Call (352) 379-8301 for more information or send request letters to: Innovative Concepts & Consulting, P.O. Box 142335, Gainesville, FL, 32614-2335.)

It's the green season in Costa Rica!

Villa Isla Azul & Villa de Papagayo

The most beautiful time of the year on Costa Rica's northwest Pacific coast is June through October.

Temperatures are in the mid-80s and the sun works its magic daily, punctuated by an occasional refreshing afternoon thundershower. The surrounding mountains and jungles are lush green and filled with life.

Picture yourself relaxing in the elegant surroundings of a luxury villa. Strolling through the rain forest to the howls of monkeys and the squawks of wild tropical birds. The ocean view, revered as one of the most beautiful in the world, is so spectacular Conde Nast Travel magazine featured it in a two-page color spread.

It is a magical world where everything is done for you and your only responsibilities are to yourself, your family and friends. Picture yourself dining in the candlelit intimacy of a moonlit terrace overlooking the Pacific. Imagine a world of elegant seclusion. This is a dream come true... Villa life.

Villa Isla Azul features six bedrooms and six baths

Villa Papagayo and Villa Isla Azul are brand new luxury villas with a full staff (cook, maid and butler) located on the gorgeous Pacific coast of Costa Rica.

Villa Papagayo is a four-bedroom, five-bath villa. Villa Isla Azul is a six-bedroom, six-bath villa. Both have oversized terraces with swimming pools, swim-up bars and waterfalls. Each has spectacular 30-foot ceilings in the great room with TV, VCR, stereo, video libraries and air-conditioning in all the bedrooms.

Also available are the world's best sports fishing for marlin and sails; rain forest, tree top canopy, volcano and giant sea turtle tours; birdwatching, scuba diving, snorkeling, sunset and party boat cruises, horseback riding, health club, rafting, tennis, golf and a colorful Costa Rican beach town two miles away with beach bars, a disco and a gambling casino.

An all-inclusive plan provides all your food and drink (an open bar) for one price. Mouthwatering meals, from fresh seafood to Italian dishes, are prepared daily from scratch by our talented Costa Rican cooks. The staff is there for your every need. Come to paradise!

Both villas feature spectacular, ocean views. Villa Papagayo (below) is a four-bedroom, five-bath villa.

For Availability Call (404) 255-1867

E-Mail: villascr@mindspring.com

$50K Pledged to Create Millions of New Exercisers

Goal is to Double Number of Fitness Center Members by 2010

Boston, MA - Two major fitness industry associations have agreed to jointly develop a ten-year plan to double the number of Americans who work out at fitness centers. Each organization is contributing $25,000 and staff time to research, develop and disseminate a program that will raise to 40 million the number of Americans who belong to some kind of workout facility, such as a commercial health club, corporate wellness center, or any other place outside the home where people exercise. An estimated 22.5 million Americans belonged to such a facility in 1997, according to an annual national survey by American Sports Data, Inc. The plan is expected to be announced in March 1999.

The organizations are the International Health, Racquet & Sportsclub Association (IHRSA), composed of more than 4200 fitness centers, and the Fitness Products Council (FPC), trade association for 60 companies that manufacture and distribute fitness equipment in the U.S.

"We see this partnership as an important step toward rallying a very fragmented industry behind a single program that will attract millions of sedentary Americans to exercise," said John McCarthy, executive director of IHRSA. "We are inviting all our members, and indeed anyone involved in fitness, to contribute to the development of the program and then to take part in its implementation."

Research began earlier this year, McCarthy said. Focus groups have been conducted among industry leaders, and members of both Associations are being polled to establish priorities and develop ideas.

"The fitness industry has enjoyed strong FPC growth during most of the 1990s," Greg Hartley of the Fitness Products Council added. "We want to take advantage of the momentum by focusing industry resources on the many opportunities before us."

The goal of 40 million health club members was chosen because it is a clear, tangible objective that IHRSA and FPC members could support, Hartley said. "Our first objective must be to unite our membership behind the program. Eventually, we hope that many others in fitness and health will discover opportunities to become involved."

Fitness Campaign/2 Mega Opportunities

"The fitness industry stands on the threshold of the greatest opportunities in its history," said McCarthy. He said there are nine overlapping "Mega-opportunities" that could be addressed in the program. They are:

1) The age wave. Baby boomers, now aged 35 to 52, invented the fitness movement. In 2010, they will be 47 to 64. Their motivations for exercising are shifting from vanity to health and vitality. How can the industry best serve this huge, changing market?

2) Special populations. Science has shown that exercise is an effective treatment for a wide range of medical problems. Proper exercise programs are essential to the quality of life of millions of Americans suffering from heart disease, arthritis, diabetes, high cholesterol, obesity and low-back pain.

3) Health benefits. The Surgeon General reported in 1996 that the lack of physical activity is a widespread health problem. Can millions of Americans be persuaded through an information campaign to begin exercising, just as they were persuaded to stop smoking?

4) Sales and service. In which ways can fitness centers be more attractive, hospitable and provide better service?

5) Membership retention. Annual membership attrition for the health club industry consistently hovers around 65%. What can we do to reduce this figure?

6) Easy access. Surveys show that many potential members are turned away by the requirement of one-year or longer memberships. They might be more responsive to short-term trials and structured programs.

7) Strategic alliances. As a result of scientific research showing the health benefits of exercise, it is clear that health clubs, as the name suggests, occupy a central position in the health care structure of the nation. How can successful links be forged with mainstream health care organizations?

8) Generation X. About 40% of all health club members are aged 18 to 34. Are their needs and preferences properly understood and served?

9) American diversity. African, Asian and Hispanic-American citizens are underrepresented among health club members. By 2010, they will make up one-third of the total U.S. population. How can the fitness industry serve them better?

FAIRGAME

Legal and Legislative News From IHRSA Government Relations

CLUBS PRESSURE HOSPITAL FITNESS CENTER

With a dozen hospital-based fitness centers operating in the Chicago area and four more in the works, it's no wonder that the hospital-fitness movement is attracting lots of attention. For the officials at one tax-exempt hospital, it's the kind of attention they would much rather do without. A quick review of a few local newspaper headlines shows why:

•HOSPITAL HEALTH CLUB SLAMMED
•FITNESS CENTER TAX STATUS IN LIMBO
•SHOULD HEALTH CENTERS STAND ON EVEN GROUND?

The fitness center in question is being planned by the Palos Community Hospital in Palos Heights, Illinois. The issues here are at the heart of the national debate over tax-exempt hospital fitness centers.

Palos Community Hospital wants to build a $14 million, 80,000 square-foot club complete with cardiovascular equipment, a running track, a children's exercise area, and lap and warm water therapy pools among its many amenities.

According to a Consumer Demand Study commissioned by the hospital, the mean age of prospective members for its fitness center is 46 with a household income of $67,000. Although hospital officials have said that the Center will pay property taxes, it will be built and run on a tax-exempt basis.

"We think what they're doing is fundamentally wrong, especially for a charitable institution" said IHRSA member Mike O'Donnell, co-owner of the Riviera Country Club. O'Donnell and other area club operators want the proposed Center to operate as a for-profit, taxpaying entity.

In addition to a flurry of media coverage, club operators have used paid advertisements to get their message out. By doing so, they have created a public debate over whether a tax-exemption for this type of facility is justified.

At an August 13 meeting, members of the Illinois Health Facilities Planning Board raised several questions about the fitness center. Several Board members stated that they were concerned that the hospital would "unfairly compete" with local health clubs.

Board member Fred Benjamin asked, "What makes this facility different than the health club down the street? This project....seems like a stand-alone health club rather than an integral part of the continuum of health care services." The Board tabled the hospital's request for a tax-exemption until October.

I'm thrilled the Board recognized how seriously out of

(See *Fairgame* page 28)

Roger and Elaine Ralph Win Entrepreneur of the Year Award! The Bel Air Athletic Club Management Culture

PART III

By Norm Cates, Jr.

One of the pleasures of my job as Publisher of The CLUB INSIDER News is the opportunity to get inside the minds of some of America's top club owners and managers. Part III of our three-part series entitled : "Roger and Elaine Ralph Win Entrepreneur of the Year Award!" consists of an interview with Roger and Elaine Ralph, owners of the 96,000 square-foot, 12,000-member Bel Air Athletic Club and their General Manager, David Bradshaw.

Roger Ralph, in responding to our request for advice for up and coming club developers/owners/managers commented, "I think to understand your strengths and weaknesses is very important. And knowing that it is very difficult to do any business alone, especially a capital intensive service business, is also vital. One of the reasons the club has been so successful is that in the beginning there was this 'creative tension' between my wife, Elaine, and me. I mean it wasn't one person. It was two complimentary skills and approaches and that tension created a better product. At this stage where we're both less involved in club operations, David's skills in that area and the same dynamic tension between the two of us has been enriching for me and I think David as well. It has also made the club much, much better."

Ralph continues, "One of the best pieces of business advice came from Larry Krieger when we were trying to hire a general manager and it was crucial that we make a good decision. Larry said, 'Roger, what are you really looking for now in your GM?' I said, 'I want someone that is really active with the members.' Larry responded, 'You don't really want someone that manages by wandering around , what you really need is someone that understands operations and systems.' That really gave me pause to think. David has always been hands on, but, also good at management systems, with people and was willing to learn. David has exceeded our expectations with his transition from a small club to a large club. Not only has he done that, he's become one of the best club general managers in the industry. If I had hired somebody else it would have been the wrong person and time for what we needed. Truly understanding what you need at a particular time in the cycle of your own business is crucial. "

Elaine Ralph adds, "I think goodness of fit also is important. How you think, the decisions you make. We all know there is not just one right way to do things. Everybody has a different style. A really good thing that's been very comforting to Roger and to me has been when situations come up, the decisions David makes when we are not here are really very much in sync with the decisions we would have made had we been here. We think along the same lines.

"A business cultural congruity with all your staff, especially senior staff, is really critical. We have made some mistakes in the past on hiring. One of the things we agree on now is if there is any edge in your gut, any hesitation about hiring someone, even if it is just 2%, we will not rationalize. Instead, we will listen to that 'gut feeling.' Whenever you look the other way it always comes back to bite you! And, as you get older, you especially appreciate that liking who you work with and being on the same value system wave length is joyful and absolutely invaluable!"

David Bradshaw... Rising to the Occasion

David's rapid assimilation of all of the challenges of General Management for a large multi-purpose club like Bel Air is a tribute to how Roger, Elaine and David have learned to work together. Dave Bradshaw comments, " I met Roger in the summer of 1994 and we began talking about his need for a General Manager. I never really expected to get the job because I didn't think I had the level of experience one would need to run the Bel Air Athletic Club. But, I figured you could always learn something from the interview process. I just went through it as methodically and as honestly as I could. I kept making the cut and pretty soon I was getting scared because I was thinking: 'I could get this job! But, what if I don't!' At first I looked at it as a lark, but it ended up working out. A couple of times when I was driving to Virginia to meet with someone I knew wasn't associated with the club, I didn't understand why I was doing it. I wondered why I had to meet with Mitch Wald, the GM of unrelated clubs in Virginia to interview for this job in Bel Air, Maryland. I didn't know who he was. But something inside of me told me to keep doing it. So I went through all of that and got the job."

Reflecting on his first four years as the General Manager of the Bel Air Club Bradshaw comments, " I think my contribution has been real recent. I think as the club got to a certain level, I think that the fit with myself and the club was a good one because the stuff that it needs now is what I'm best at. For me personally it has been a boon to my personal and professional life because I've been able to access almost anyone in the industry. I've been able to grow a lot, to hone my skills. My family loves it here. We bought a house recently.

So, for almost every single reason, it was the right thing for me to do. You can never predict the future, but I've been real happy here. Roger and Elaine have been extremely generous. They are very fair. I have almost a free hand in running the club within the parameters that are rational. I just can't say enough good things about it. I love coming here everyday. It's a challenging job and you know what we do is not easy. I love working with the staff. My satisfaction comes from seeing people develop. Taking someone that has raw talent and making them into a business-oriented manager. There's a lot of satisfaction in doing that with young staff. We have 264 people on payroll. To see the growth in people is very satisfying."

Bradshaw continues, " This job is the only thing I can imagine doing now. I've gotten opportunities here that I would have never gotten anywhere else. I had the opportunity to speak at IHRSA. I've had the opportunity to do whatever I've wanted to do. To make mistakes and not fear retribution. I think the key here is just being honest, upfront and direct and that's something I've always believed in, too. If I disagree with Roger and Elaine, I tell them so. Either they say you are right or we're not comfortable doing it that way. That's fine. Either way is fine, but nothing is held back. Obviously, you have to treat the owners with a certain amount of tact. I do that out of respect, but also because of our roles professionally. Outside of that, there's really no holds barred. I have input into every decision. My input is not always taken, but then again, it's not always good. It's been an absolutely terrific fit. I can't imagine being with another organization or club."

Elaine adds, " David is really good at empowering people. A lot of the staff are very young and it's hard to take the step to make your ideas become a reality and David's really very good. He is very methodical and when there is a correction to be made he can give them the bad news and it may not be what they want to hear, but they know that he is right."

Roger & Elaine Ralph

Roger observes, "David's approach is very fair, and respectful, and he listens well. He is demanding of the staff and appropriately so, but he is also very direct and everybody knows where they stand. That's very hard for managers to do, but it is also the right way to go."

Roger adds, "I think another thing that is a real blessing is that our vision is pretty clear. We really want to be the absolute best family and community oriented club in the United States. What a wonderful vision. The fact is we've got a shot at doing that because we've got the right people, the right resources and the right community. You may never really get there, but you've got to aspire to that."

Bradshaw, "We have 24 departments and we view them as individual businesses because they really are. There is a manager in each business. Everybody's got a budget. There are certain philosophic and policy-driven parameters to operate within, but within that framework, people make whatever decisions they want. Literally. I don't say you hire this person or don't hire that person. Or spend that money or don't spend that money. If I get a P & L and you're over on your supply side, then we'll talk about that. If you want to buy blue pens, don't ask me because I don't care. I don't want to know. But I do want to know about important things. So everyone creates a set of goals and objectives in the beginning of the year which are consistent with your budget and are created in support of your budget. All you need to do is meet on every single week about your pursuit of those goals."

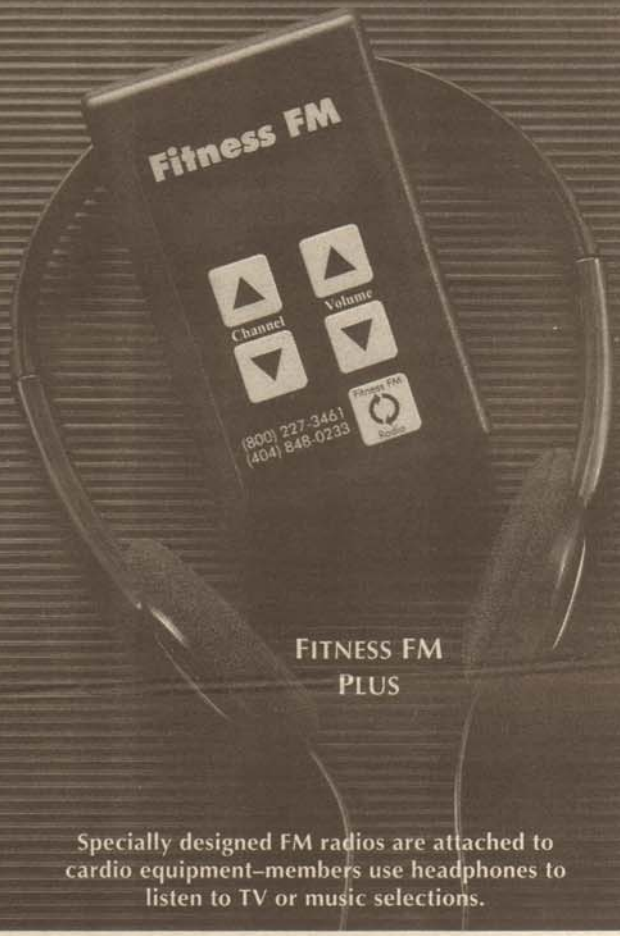
Roger adds, "There is a personal aspect as well as a professional aspect here because the two are obviously related. "

Bradshaw, "People own it. People own their department. They feel they have the autonomy of making decisions and they do in a very real way. Everyone is tied into a profit sharing type of bonus system so if the club does well, they do well. If we have a poor year, they don't get a bonus check. Roger and Elaine are

(See *Bel Air* page 30)

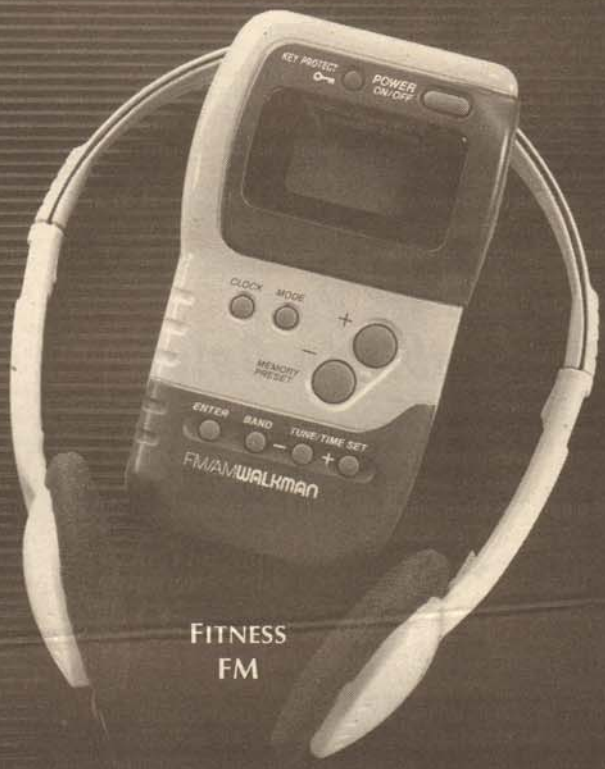
OUR FITNESS FM™ SYSTEMS MEAN TWO GREAT CHOICES.

YOUR RADIO OR THEIRS.



FITNESS FM PLUS

Specially designed FM radios are attached to cardio equipment–members use headphones to listen to TV or music selections.



FITNESS FM

Members use their personal radios to tune into TV or music selections via an FM transmitter.

If you're looking for an FM system, you can't go wrong with Fitness FM. You can offer your members Fitness FM PLUS complete with FM radios that are compatible for use with any FM transmitter or Fitness FM where your members bring their own radio. To find out more about Fitness FM's great choices, call 800-227-3461 or 404-848-0233.

FITNESS FM BY

CARDIO *Theater*®

EXERCISE THE BODY. ENTERTAIN THE MIND.™

...Thoreau Club

continued from page 12

the task that he or she was hired to do. But all employees also share a common goal; to assure their customers' enjoyment and Camp Thoreau, Inc.'s business success. They believe personal involvement is the key to establishing a satisfied clientele who will return year after year.

Management also emphasizes that to be successful, their business must balance the needs and expectations of its customers against the needs and expectations of its staff. Thoreau strives to strike that delicate balance effectively. Thoreau management emphasizes that, after all, Thoreau is about people, working together and toward common goals and personal fulfillment.

THOREAU MISSION STATEMENT

We strive to be a superior service organization. Located in a unique setting, we provide educational and recreational opportunities in a fun, comfortable and caring environment.

CORE VALUES:

ETHICAL: Our foundation is based upon the pillars of honesty and integrity which support all business decisions.

QUALITY: We will treat every customer as we would an honored guest in our home.

TRADITION: We were founded based on the philosophy of embracing the simplicity of life and striving to achieve one's personal best.

FUN: We will always try to make you smile.

SPIRIT: We strive to create and maintain an environment that fosters growth and enhances relationships.

CONSERVATIVE: We are committed to grow and succeed, while remaining fiscally responsible.

1999 BUSINESS GOALS

Develop and implement a business strategy that increases operating budget profitability over each of the next five (5) years by 20% per year. The funds will be used to retire excessive short-term debt generated during the 1998 relocation and expansion.

Develop and implement sound employee training and accountability programs that allow us to effect positive cultural change and enhance our core purpose.

Re-evaluate our organizational structure and restructure to position the company to better serve the emerging opportunities and growing demands on the company by providing the leadership foundation for the future.

Develop and execute a strategy to involve the company in community projects and outreach with the goal that the company became known and respected by the community as a leader in its field.

TODD PULIS - The Visionary and Industry Leader

When Todd was a youngster he recalls attending American Camping Association conferences with his Dad, Clifford Pulis. It was there that he first learned the value of sharing business secrets and ideas with others. That exposure planted a leadership seed in Todd Pulis that has been very significant in his career and in the development of our industry nationwide.

Years before IHRSA came along, Todd Pulis created an original roundtable group of six New England area club owners. The group met once a month to discuss the many topics involved in the ownership and management of tennis clubs of those days. Todd enjoyed learning from and sharing club business information with Dale Dibble and Dick Trant and several others who were members of the Tennis Club Owners Roundtable (TCORT). He carried that experience forward with him to stimulate other sharing and learning opportunities with others.

Later, Pulis was involved in an organization called "Group 13", also known as the New England Regional Indoor Tennis Association. After that, Pulis became involved in Chicago-based, National Tennis Association (NTA).

In 1980, Todd Pulis and Dale Dibble, representing The National Tennis Association, (NTA) and Peter Donahue, Jennifer Michell and yours truly, representing the National Court Club Association, (NCCA) attended a meeting in Chicago where the first steps for the founding of IHRSA were taken. This meeting had been arranged by Rick Caro. IHRSA was Rick Caro's idea. Caro, at the time, was serving on both the NTA and the NCCA Boards. The tennis group (NTA) and the racquetball group (NCCA) soon after sent delegates to the original founding meeting held in New York City in 1980. Todd Pulis was elected and served as a Board Member of IHRSA and served as the 3rd President of the Association in 1985. Todd still serves on the IHRSA Advisory Council. In 1990, Todd was honored by the Association with its prestigious Distinguished Service Award, an honor that was well deserved.

When asked about his feelings about IHRSA, Todd Pulis minced no words with his praise of the organization he co-founded and served as leader for 18 years. Pulis, "I can't speak highly enough of IHRSA. I think every industry needs a spokesperson, a group to provide government representation, and services for the members of the industry. All of this and more is provided worldwide by IHRSA. I don't think the industry would be where it is today without an organization such as IHRSA. I think we're so fortunate to have John McCarthy as the Executive Director of IHRSA. The fact that it brings people together is extraordinarily important. There needs to be a glue, a cement and cohesiveness within the industry and I think IHRSA provides that. The forum IHRSA provides for education is second to none. The exposure to what is happening is important. I've contributed a lot to the IHRSA cause over the years, but I've received back much, much more than I've given."

Todd Pulis, An Industry Legend Considers The Future

Make no mistake about it. Todd Pulis was an industry luminary long before he and his family decided to move to the new Forest Ridge location in Concord, MA. His views are always conservative, are most often correct and are respected by his peers. His bank of knowledge and experience is very much like a national resource for our business. We asked Todd Pulis about his views of the future of the health, racquet and sportsclub industry and here is what he had to say: "The future is a hard thing for me to sit here and predict. I believe in this industry. It's a young industry and I know we have a lot of challenges ahead of us. When society recognizes that what we do is a way of preventing aging and disease and when we as a society take a more preventive approach to healthcare and medicine, we should see the industry thrive even more. I believe there is a lot of opportunity out there. Our society changes slowly. The whole medical/healthcare field is a disaster in many people's eyes. It is very political and a maze to work through. If we can get the medical community to realize that when people are healthy in mind/spirit it has a lot to do with their physical condition and well being. There is a mind over matter connection. If we can work with people, make sure they are happy, connect them with others, and give them a good-fun time in a caring, comfortable, safe environment, we will create a better society. In terms of our company, we are going to find new and better ways for members to have fun, ways to impact their health and state of mind. We're in the recreation business. The business of re-creating oneself when he is in a leisure-time mode - a chance for them to back away from the pressures of daily routine and do something they enjoy. I believe we're in the business of affecting people's basic needs of affiliation and achievement. Our core reason for being is to provide opportunity for people to participate in something they enjoy and to gain a reward from that participation. We're trying to offer people the best place and source of activities for their leisure time. We want to make them feel good, to reduce their stress and make them feel better each time they are with us."

This writer says AMEN!

(Our thanks to Todd Pulis and Faith Pulis and their organization for their assistance with this article. Portions of this article were reprinted in their entirety from training and other materials provided by Thoreau, Inc. Norm Cates, Jr. is the Publisher of The CLUB INSIDER News and a 25-year veteran of the health, racquet and sportsclub industry. Cates was a co-founder of IHRSA with Todd Pulis and the 1st IHRSA President in 1981.)

Questions about PACE? Here's all the Answers!

By Rande LaDue

Continued from last month's article:

Q. If I do PACE, do I still need to do other aerobic workouts?

A. Only if you want to. PACE far exceeds the minimum requirements to improve aerobic function as established by the American College of Sports Medicine. Your resting heart rate will decrease dramatically as a result of regular PACE workouts. Let your body be your guide; if you are a beginner and feel great after a PACE workout, stick with just PACE for awhile. If you are a fit individual, you will find PACE an excellent cross-training tool, but you will probably want to supplement it with other cardio pieces.

Q. I've been taught to lift and lower weights "in a smooth, slow, controlled **manner", PACE seems to be the exact opposite? Why?**

A. Exactly! Remember hydraulic resistance is the key to PACE, not a weight. The faster, harder one pushes against hydraulic resistance (at their own fitness level), the greater the resistance. No other manufacturer can make this claim; which is why it is common to see a senior or deconditioned person work out right alongside a very fit person at the same resistance settings. No other equipment allows you to workout to the beat of the music.

Q. Is PACE safe for kids?

A. Absolutely! Because of the double concentric nature of hydraulic resistance, there is no fixed load against the muscle or skeletal systems, so PACE is very safe for kids. There is also no peer pressure because no one can see how much you can or can't lift. PACE is like musical chairs with fitness thrown in as an added benefit. For those kids from ages 6-12, we suggest Kids' Pace from Kidzfit International (888-497-1300), for ages 13+ we suggest our own line of adult PACE equipment (Pro*Fit Enterprises 888-604-2244). We both use the same manufacturer, but Kids' Pace is downscaled to fit the smaller child.

Q. Is PACE better than dieting?

A. Yes! Any exercise program is better than just dieting alone. It's a fact that PACE is less intimidating than conventional weight stack equipment or free weights, so it tends to attract the overweight market. Proper nutrition combined with a good, safe exercise program is the best way to improve health and change body composition permanently.

Q. Will I get bored from PACE?

A. Chances are that you will eventually get bored of any if you do the same thing every day. That's why we send an ACE Certified Trainer to your facility to talk about changing formats, music, etc. to avoid the "boredom factor". PACE is probably not a program that someone will do forever. PACE is an excellent introduction into the club, especially for those deconditioned people we mentioned, then to gradually transition them into the general population. PACE is a tool and should be used as such. There is no other non- intimidating, no muscle soreness program that you can offer a beginner. PACE will make selling a Personal Training Program very easy.

Q. Is there research to back up the benefits of PACE?

A. Lots. PACE is the result of over 20 years of research and testing by noted exercise physiologists and fitness experts from around the world. Ibis research has established foundation on which fitness centers, aerobic studios, hospital wellness centers, retirement centers, schools and corporate fitness centers have built their successful PACE programs. For copies, write to Henley Healthcare, 120 Industrial Blvd., Sugar Land, TX 77478.

For additional information or a free PACE video, call Pro*Fit Enterprises at 888-604-2244 or visit our website at www.pacepro-fit.com.

Pro*Fit Enterprises is recognized by the American Council on Exercise (ACE) as a Continuing Education Specialist.

Before beginning this or any exercise program, consult your physician first to ensure your health & safety.

INTRODUCING CAPITOL REPORT

Capitol Report is a new WEEKLY update from IHRSA's Government Relations Department. Each one-page Capitol Report will provide concise, timely news about legal and legislative issues affecting your club. It will replace the monthly FAIR GAME and GREAT Report. Capitol Report is reprinted this month in the CLUB INSIDER News courtesy of IHRSA. If your club is not an IHRSA member, this is just one of many IHRSA benefits that you are missing out on that will help your club. To join IHRSA, call: (800) 228-4772.

...Norm's Notes

continued from page 5

ness Centers to **24 Hour Fitness.** The facilities are located in Boulder and Longmont Colorado.

I noticed that the state of California has declared October to be **Workplace Fitness Month** once again. **RAY WILSON** had worked with California Assemblyman, **HOWARD KALOOGIAN,** back in 1995 to get legislation passed the first time Workplace Fitness Month was declared in October. While **IHRSA** gave kudos to the California Assemblyman in their final issue of **FAIRGAME,** they failed to give Ray credit for starting the idea in the first place. So, for the record, congratulations go to: **RAY WILSON, HOWARD KALOOGIAN** and to IHRSA for providing the **"Economic Benefits of Regular Exercise"** brochure as a tool to sell the idea at the California State House.

WHO YOU CALLIN' PESKY?

In the April, 1998 issue of Perspective, the national magazine for YMCA directors, Editor Steven A.Kendall wrote: " In the adult fitness area it hasn't been quite so easy. Our engineering and marketing skills haven't made a difference in one important way. Those pesky health clubs just won't go away. Worse, there isn't much difference between fitness the Y way and fitness the health club way. We just haven't been special."

"If the fitness market was huge, this wouldn't be a problem. Y's and health clubs could share the market and everybody would be very successful. But we all have been selling to a limited market - the small minority of Americans who exercise regularly,."

We ask you, does this sound like an organization that is not in the health club business? By the way, Mr. Kendall shouldn't get his hopes up because those "pesky" (i.e. taxpaying) health clubs are going to be around for a long, long time.

DID YOU KNOW that YMCA of the USA National Executive Director David Mercer's salary in 1996 was $251,217?

SENATE PANEL ASKS IRS TO EXAMINE TAX-EXEMPT CLUBS

The Appropriations Committee of the U.S. Senate has asked the Internal Revenue Service to make sure that nonprofit organizations that provide fitness services do not compete unfairly against taxpaying health clubs.

Committee members attached the request to the Treasury Department Appropriations legislation that is currently making its way through Congress. The request states:

The Committee is aware there has been significant growth in health club and fitness services. Intensified competition has developed a market for profit and tax-exempt health clubs. With certain tax-exempt organizations moving away from their core purpose, questions arise as to whether they are engaging in commercial competition with the for-profit sector."

Since the Senate Committee made the request, lobbyists for the YMCA have been successful in amending the language in the House of Representatives to exclude the YMCA activities from scrutiny. The amended language focuses on tax-exempt hospitals and colleges and universities. However, James J. McGovern, a former top charity regulator for the IRS, said that the small business lobby, which for years has been frustrated with the lack of interest of the tax-writing committees in Congress to address the unfair competition, has found an ally in the Senate.

McGovern told The Chronicle of Philanthropy that the IRS would be responsive to the Senate Appropriations Committee request because "its funding is at stake."

(The Senate request was a direct result of a coordinated lobbying initiative this summer by IHRSA and Bally Total Fitness. See the October issue of CBI Magazine for more information on this lobbying effort.)

MORE THAN TWENTY legal and legislative briefing papers are available FREE to IHRSA members. Visit the member-only section of www.ihrsa.org or call Fax-On-Demand Service at (888) 658-8611. Use your member number to view or receive documents.

POWER TOOLS FOR PROFITABILITY

- ☆ **Isolate costly mistakes in your sales strategy**
- ☆ **Increase your traffic in 30 days WITHOUT slashing prices!**
- ☆ **Build loyalty and enthusiasm in your staff with the R.O.A.R.! philosophy**
- ☆ **Professionalize your staff and management**
- ☆ **On Site Training & Consulting Available:**

Premium Performance Training provides a selection of proven, successful programs to choose from, and all programs are customized to your club's specific needs and goals. Choose from the programs below, or have PPT develop an entirely new program for your organization.

SALES TRAINING

- Polishing Your Sales Skills for Shining Success
- Low Profile Sales Skills for High Profile Success
- Avoiding the Monster Mistakes in Membership Sales
- Mastering the Emotional Energy in the Sales Process
- Are You Qualified to Close? Develop A System That Makes Asking for the Sale Simple
- Turning Calls Into Appointments
- 20 Tips to Increase Traffic in 30 Days
- 15 Hot Tools to Close More Sales Now
- Dancing Through the Cycles of Selling

SERVICE TRAINING

- Personally and Profitably Strengthening the Partnership Between the Member and the Club
- Creating A Partnership Between Front Desk and Membership Sales Staff
- Are You Engaged Yet?
- Front Desk and Fitness Staff: 20 Tips to Be Your Own "P.R." Expert

MANAGEMENT TRAINING

- Service Systems at Our Clubs: Who Do They Really Serve?
- Tools to Create and Manage A Super Star Sales Team
- Time Management and Prioritization: Do You Manage Time or Does Time Manage You?
- Who's Running the Show: Your Team or Your Ego?
- Results Driven Training by Training the Trainer

Karen D. Woodard

PRESIDENT

Karen has been an owner and operator in the fitness industry for over thirteen years, and here's what audiences consistently say about her:

"Karen is a high-energy, impacting teacher!"

"Refreshing. Love the interaction!"

"Presents practical tools in a creative way."

"She took me to a new level, this stuff really works!"

☆ **Books, Tapes & Other Tools:**

PPT
PREMIUM PERFORMANCE TRAINING

PLEASE SEND ME: ___ Books @ $15.00 each ___ Tapes @ $20.00 each ___ Flash packs @ $10.00 each ___ Information on PPT services

MAIL YOUR ORDER TO ADDRESS AT BOTTOM OF PAGE

Name _____ Club _____ Position _____

Address _____ Phone _____

Please include $4.95 for shipping and handling on total order. Check enclosed for: _____

VISA / MC _____ Exp. date _____ Your signature _____

Premium Performance Training

279 PEARL ST., STE. 15 • BOULDER, CO 80302 • Phone 303-417-0653 • Fax 303-417-1747 • kdw500@aol.com

...Fairgame

continued from page 18

line this tax-exempt request is," said O'Donnell. Hospital officials said that they would provide information to answer the Board's concerns. For their part, club operators will make sure that the Board members get all the facts, not just the hospital's version.

It's important for the public to realize that club operators are supporting the hospital's move into fitness. "We encouraged them to build a facility but (we told them) just do it for profit," said O'Donnell.

ONE VICTORY SPARKS ANOTHER

Acting on a February IHRSA alert advising club operators to review a recent Missouri sales tax decision, Peggy Chirban of Vessell's Fitness Complex in Rolla, MO, decided to dispute her sales tax bill.

Chirban learned in August that her diligence has paid off-big time! The State is refunding $40,000 that the club had paid in sales taxes over the past three years!

More than 800 members of Vessell's Fitness Conplex members will also benefit, as they will no longer have to pay the 6.75% tax on their dues. "Like IHRSA, I believe that government should not tax healthy behavior," said Chirban.

When the tax was originally passed, Chirban made it clear to her members that she wasn't raising her dues, the government was. "It's only fair that with the elimination of tax, my members should benefit," she said.

An added bonus is that her members recognize that Chirban went to bat for them, spending considerable time and energy to dispute the tax. A gesture that, no doubt, will not be soon forgotten.

CALIFORNIA PROCLAIMS OCTOBER TO BE WORK-PLACE FITNESS MONTH

The California Legislature has once again proclaimed October to be Workplace Fitness Month. By doing so, legislators hope to encourage all Californians to participate in regular exercise programs and physical activity.

IHRSA sent a copy of the resolution to its 500 member clubs in California along with several event and program ideas for the month. For more information, visit the Government Relations section of IHRSA's web site (http://www/ihrsa.org). There you can download and access the resolution and gain access to a Wellness Resource Guide produced by the State of California.

IHRSA commends California Assemblyman Howard Kaloogian for sponsoring this resolution. The first California "Workplace Fitness Month" resolution was in 1995 and contained research from IHRSA's Economic Benefits of Regular Exercise brochure. The 1998 resolution cites the 1996 Surgeon General's Report on Physical Activity and Health and the Legislature's past support of efforts that recognize and encourage physical fitness.

HIGH COURT PROTECTS HIV-POSITIVE FROM DISCRIMINATION

Earlier this summer, the U.S. Supreme Court ruled that the Americans With Disabilities Act (ADA) clearly protects those with HIV (Human Immunodeficiency Virus) from discrimination, even when they display no outward symptoms of infection. The case involved a dentist who refused to treat an HIV-positive woman in his office for fear of contracting the virus.

"This isn't about dentists' chairs," Matthew Coles, director of the American Civil Liberties Union's AIDS Project, told the New York Times. "It's about everything the Americans With Disabilities Act covers," such as employment and public accomodations.

Just as health care providers cannot refuse to treat those with HIV, health club operators cannot legally restrict HIV-positive individuals' access to their facilities or services. The ADA allows people with disabilities to be treated differently only if they pose a "direct threat to the health or safety of others." Current medical knowledge holds that normal health club activities do not pose such a threat "Casual social contact such as shaking hands, hugging, social kissing, crying, coughing, sneezing... swimming in pools, bathing in hot tubs, or from eating in restaurants."

The best practice is to take "universal precautions." That is, when cleaning or administering first aid, treat all blood and other potentially hazardous body fluid and material as if it were indeed hazardous. For a legal briefing paper on AIDS, call IHRSA. (800) 228-4772.

Norm Cates' THE Club Insider NEWS

INFORMATION REQUEST

If you would like to receive information from or be contacted by advertisers in this issue just clip or photocopy this form, mark the block(s) of the respective companies, complete the information requested in the blanks and fax to the number shown.

☐ Please mail information to me. ☐ Please contact me at the number written below.

Name:_____ Club or Company

Name:_____

Address:_____ City:_____ State:_____

Zip:_____-_____

Phone #: (___) ___-_____ Fax#: (___) ___-_____

E-Mail:_____

CLUB INSIDER News Advertisers

☐ MedX - Pg 2	Fax#:(352) 629-8670
☐ Friday Reports - Pg 5	Fax#:(212) 987-4227
☐ Affiliated Acceptance- Pg 13	Fax#:(816) 753-1429
☐ Premium Performance - Pg 27	Fax#:(303) 417-1747
☐ Sales Makers - Pg 19	Fax#:(941) 945-3029
☐ Springfield Corp. - Pg 8	Fax#:(770) 729-0995
☐ Jazzercise - Pg 14	Fax#:(760) 434-8958
☐ StairMaster - Pg 25	Fax#:(425) 821-3794
☐ National Gym Supply-Pg 23	Fax#:(310) 287-1747
☐ Hammer Strength - Pg 32	Fax#:(847) 288-3791
☐ Electronic Billing & Collecting -Pg 16	Fax#:(410) 252-9367
☐ Kick-It - Pg 22	Fax#:(423) 584-4653
☐ Muscle Dynamics - Pg 15	Fax#:(310) 323-7608
☐ Pace Circuit - Pg 9	Fax#:(888) 604-2244
☐ Cardio Theater - Pg 21	Fax#:(404) 848-0223
☐ ISSA - Pg 7	Fax#:(805) 884-8119
☐ Costa Rica Villas - Pg 17	Fax#:(404) 250-0014
☐ Hoggan Health Industries - Pg 11	Fax#:(801) 572-6514
☐ Body Pump - Pg 31	Fax#:(770) 988-9486
☐ Faust Management - Pg 24	Fax#:(619) 536-7976
☐ JLR Associates - Pg 10	Fax#:(781) 431-0890
☐ Tool Systems Management-Pg 6	Fax#:(954) 796-9010
☐ Club Runner - Pg 26	Fax#:(561) 746-5822
☐ World Wide Fitness - Pg 18	Fax#:(714) 283-0935

..Legend

continued from page 3

able, high-quality fitness equipment for commercial and consumer use.

Famous Chemist Invents Lifecycle Bike to Quantify Exercise Effects

The Lifecycle bike began its historic ride as a scientific challenge of acclaimed chemist Keene Paul Dimick, Ph.D., of California. Dimick is credited with being the first to develop and manufacture gas chromatographs, a cornerstone of analytical chemistry and a huge commercial industry. Adaptations of his work have countless applications today, including the gas chromatograph used by police to analyze alcohol content in the breath. Dimick created the original machine while researching the highly complex flavor component of the strawberry for the U.S. Department of Agriculture. He started his own gas chromatograph company with his brother-in-law, Ken Wilkens, in 1956.

Dimick sold his successful business, Wilkens Instrument & Research, nine years later. Retired at age 50 and seriously out of shape from years of sitting behind a desk without exercise, Dimick bought a stationary bike from a department store. Despite excruciating back pain that made it hard for him walk, he started riding. Dimick noticed positive effects in his physical condition, but being a scientist, wanted to quantify his results more precisely. He upgraded to a more sophisticated bike from Sweden, but it still provided no way to measure how fast or effectively he was getting into shape.

Dimick sought the help of Dr. Kenneth Cooper to analyze the effects of exercise. Dr. Cooper, famous for coining the term "aerobics," had studied fitness programs with thousands of subjects in the U.S. Air Force. From Cooper, Dimick learned to quantify good aerobic conditioning using the "Maximum Oxygen Intake" (MOI) number, or the amount of oxygen that the body is able to take in during exercise. The more fit a person is, the more oxygen the body can take in and the more "work" (output or exercise) the person can do. This MOI number also enabled Dimick to establish a relative scale of fitness against which individuals could be measured. For reasons unknown, Dimick called his fitness calculation "MOU," or maximum oxygen uptake, which is how it is referenced in this document.

Armed with a calculable MOU number to quantify aerobic conditioning, Dimick proceeded to develop a stationary bike that would measure and track fitness progress. He intended to create a piece of motivational aerobic equipment for out-of-condition executives who preferred to exercise in the convenience and privacy of their homes. Based on the notion that cycling improves fitness, and being in good shape can extend one's life, Dimick and his wife, Adele, named the bike the "Lifecycle."

Features of the Electronic Exercise Cycle

The Lifecycle bike is widely believed to have been the first exercise bike in the world to use electronics that interacted with the user. Dimick called this box of electronics the "Electronic Coach" and mounted it onto the handles of the cycle. After the user selected a resistance level, the device programmed a 12-minute workout and measured pulse rate, pedal repetitions per minute (RPM) and calories used per hour. It is the predecessor of the console found on nearly every stationary bicycle today.

Pulse measurement was one of the biggest technological breakthroughs of the Lifecycle exercise bike. Dimick designed an ear lobe clip to be worn while the user was riding the bike. One side of the clip was a light source, and the other side contained a photosensitive device that detected when light came into it. As the rider's heart beat and pumped blood throughout the body - including the ear - the ear lobe would get more opaque, and less light would get through it to the photosensitive device. When the user's heart relaxed and blood drained out of the ear lobe, more light would penetrate through the earlobe and be detected. Dimick connected the ear clip through the Electronic Coach of the Lifecycle exercise bike to a gauge that continuously displayed the rider's pulse rate.

Dimick had also developed a slide rule-like device that allowed a user to input age, weight, sex and selected exercise program level, 10 being very easy and 100 the most difficult. The slide rule would take this information, combine it with the exerciser's pulse rate at the end of a riding "test period," and automatically calculate the person's MOU. The measurements were amazingly accurate. To test it, Dimick would occasionally smoke a cigarette in the afternoon and then ride the Lifecycle bike the next day. The fitness calculations would show a several point drop in his MOU.

Another technological first of the original Lifecycle exercise bike was the concept of pedaling at a constant speed, or RPM, and having the bike intermittently introduce different "breaking loads" to simulate going up and down hills. This approach was inspired by Dr. Cooper's research which clearly demonstrated that wind sprints, short spurts of accelerated energy output, produced the quickest aerobic response and promoted fitness faster. Dimick wanted to create a short exercise program that busy executives could do just three times a week to get great results, so he again turned to Dr. Cooper.

Through his research, Dr. Cooper found that if people could run 1 1/2 miles in 12 minutes four times a week, they would improve their aerobic capacity and be aerobically fit. The pair took Dr. Cooper's 12-minute running program and converted it into a 12-minute cycling program that people could do in the convenience of their homes using a Lifecycle bike to achieve the maximum aerobic benefit in the shortest period of time. The program included a series of four simulated hills, each one slightly more difficult to pedal than the last. It could accommodate every exerciser - from the de-conditioned individual to the advanced cyclist - via a selector switch that changed the virtual steepness of the terrain (pedaling difficulty) based on what exercise program level the rider chose. This original 12-minute program, the precursor to the highly refined interval training options available on many computerized exercise bikes of the 1990s, remains a steadfast feature on the Lifecyle exercise bike today.

Hard to Pedal Ahead Of Its Time

In the early 1970s, Dimick started a small manufacturing and assembly facility for the Lifecycle exercise bike in Concord, Calif. He employed machinists to make the parts and Dimick assembled the bikes himself, along with the help of his son Mike during summers. Excited by the innovation and obvious benefits of using the Lifecycle bike, Dimick completely overanticipated market demand. Ultimately, he found the electronic exercise bike nearly impossible to sell.

Exercise was simply not in vogue at the time, especially not cardiovascular workouts. There were not many health clubs or fitness facilities in operation and only a few weightlifting gyms that did not focus on aerobic training. A small number of people jogged, but devout runners were rarely interested in bike riding indoors. Dimick tried targeting doctors and dentists since they were on their feet all day. But medical professionals weren't interested. Neither were the airline pilots Dimick thought would be an easy sell because they had to pass a physical in order to fly.

By 1973 Dimick's financial advisor recommended he stop manufacturing the Lifecycle exercise bike. Priced at $795, only about 100 bikes total had been sold. Dimick lost over $1 million on the project, but he had had so much fun developing the Lifecycle bike, and had gotten in such good shape using the cycle, he had no regrets.

Dimick eventually sold the rights to the Lifecycle exercise bike to Stars and Stripes, a newspaper targeted to the U.S. Armed Forces worldwide. The publisher presumed that the reason behind the bike's lack of success was inadequate marketing, since Dimick was foremost a scientist and not a salesman. He purchased the Lifecycle bike for $250,000 and invested an additional $500,000. As before, the money was lost. There was still no market for the electronic exercise bike.

Industry Legend Mounts Lifecycle Bike in Pursuit of Cardiovascular Fitness

Around the time the Lifecycle bike marketing efforts were failing in California, Ray Wilson - legendary health club pioneer and fitness entrepreneur - had a fortuitous conversation with a friend and member of one of his clubs in Texas. Astronaut Captain James Lovell, then Chairman of President Kennedy's Council on Physical Fitness, convinced Wilson that cardiovascular training would be the next fitness wave of the future because of growing awareness from school education programs that a healthy heart is essential to leading a long and productive life.

Wilson already had an unparalleled track record in creating and capitalizing on industry trends. His successful national-membership health club chains like American Health/Silhouette were among the first to bring the benefits of exercise to mainstream adults, as well as bodybuilders and kids. He also popularized the use of "spa" amenities to broaden the appeal of fitness facilities by opening Trim and Swim Spas, Presidents First Lady Spas, and the Executive Health Club chain. Now, with the goal of improving the health of America, Wilson vowed to focus on cardiovascular training as the next revolutionary direction in fitness.

Then a dramatic personal inspiration was added to his professional quest. At age 32, Wilson was warned by his doctor that if he didn't change his diet and workout regimen, he may die more prematurely than his father who suffered a fatal heart attack at 48. Wilson became even more determined to find a machine that could provide the aerobic exercise he needed to strengthen his heart, and at the same time enable him to deliver cardiovascular fitness to the masses.

Wilson discovered the Lifecycle exercise bike while visiting his sister in Italy in 1973. His nephew, Eddie Cheever, Jr., winner of the 1998 Indianapolis 500, was 14 at the time and the European Go-Kart champion. He told his Uncle Ray, "Try this machine - you'll really like it!" Wilson was so impressed with the "big green machine" that he traced the location of the manufacturing facility from a tag on the bike. He went to the Lifecycle exercise bike factory in Concord and found it closed. When Wilson eventually tracked down the inventor, Dimick explained that the rights to Lifecycle bike had been sold to a publisher who still owed him $100,000.

Dimick still believed strongly that the Lifecycle exercise bike was something the public needed, and he wanted his invention to have another chance. So, Dimick forgave the publisher's debt in exchange for return of the Lifecycle bike, and he sold it to Wilson for a token $50,000.

More Bumps Ahead

Wilson proceeded to re-open the Lifecycle bike manufacturing facility. But bound by a non-compete agreement from the recent sale of his top chain of European Health Spas to U.S. Industries, Wilson could only own five percent of the company. So he assembled a group and eventually raised an additional $500,000 for the Lifecycle exercise bike.

In order to test the bike

(See ***Legend*** page 30)

...Legend

continued from page 29

under mass use and have a place to work out himself, Wilson opened a fitness facility on Wilshire Blvd. in Beverly Hills. Although the venture was doing well, when U.S. Industries learned Wilson was involved they threatened to sue him for violating his non-compete agreement. Without Wilson there to guide it, the rekindled Lifecycle bike effort soon failed again.

Wilson's passion and belief in Lifecycle bike never faltered however, and as soon as his non-compete contract expired, he attempted to reassemble his group of investors to try again. No one was interested, so he bought everybody else out for $50,000. This time Wilson put the finance company he founded, Travelers Acceptance Corp., behind the Lifecycle bike with renewed commitment to redesign and promote the exercise cycle.

Wilson spent the next five years and approximately $1 million to refine the original design and to make the cardiovascular bike a practical commercial commodity. Wilson was convinced cardio fitness was going to hit big, and when it did he was determined to have the Lifecycle exercise bike perfected and ready to lead the charge. Thinking the name of the product may have contributed to its history of failure, he temporarily renamed the bike "Youthcycle." Eventually he returned to the name "Lifecycle" as most fitting.

By 1977 Wilson was using the revamped exercise bike in a new chain of health clubs he started called Family Fitness Centers. These facilities were the first clubs to use large quantities of fitness equipment, to have coed memberships and to offer the dues and initiation fee-memberships that are standard today. At the time, Wilson was focusing more on opening the clubs, and refining and manufacturing the Lifecycle exercise bike than on marketing the product.

Nieto Joins Rough Ride to the Top

While Wilson was redesigning the Lifecycle bike, Augie Nieto was majoring in finance and playing football at a small, private, West Coast school. He also had a student job as manager of the school weight gym. During Nieto's freshman year, he interviewed industry leader Ray Wilson for an independent study project on how to open a health club. Wilson gave Nieto a lot of information and inspiration about the future of the industry, and shared his convictions regarding cardiovascular training and the Lifecycle exercise bike.

The next year, as a 19-year-old sophomore, Nieto opened a small fitness club that focused on strength training. Wilson brought the Lifecycle exercise bike to Nieto's facility to demonstrate it. Nieto got so excited about the product that he sold his club and borrowed additional money from family and friends to buy the marketing rights to Lifecycle bike from Wilson. Nieto immediately recognized the value of the electronic exercise bike in terms of its economic use of space and the broad range of people who could use the product. He also knew that weight training facilities of the day were not meeting the needs of members who were concerned with losing weight. Nieto also believed as strongly as Wilson in the benefits of cardiovascular training and its important role in overall health and fitness.

In 1977, Wilson and Nieto partnered to established Lifecycle, Inc. and began marketing the bike to health clubs and gyms - once again, with virtually no success. Nieto bought a motor home and traveled the country trying to sell Lifecycle exercise bikes during his summer breaks from school. He sold a total of 11 bikes in nine months.

But three failed attempts to bring the Lifecycle exercise bike to market and millions of dollars lost did not stop the persistent entrepreneurs. By 1978 the bike had been converted to solid state electronics and the bolted metal frame was replaced by welded steel for rigidity and lightness. Wilson and Nieto remained convinced that it was the right product at the right time. They decided price was the problem, so they simply eliminated it. They gave Lifecycle exercise bikes away for free.

Lifecycle Hits Its Stride

When Wilson and Nieto began selling the Lifecycle exercise bike, the price was $3,000 because the bikes were virtually made by hand. Few health clubs could afford to take a chance on the product. But Wilson and Nieto knew that the people who ran the clubs were fitness fanatics, and the partners were confident that anyone who used the Lifecycle exercise bike would love it. So Nieto convinced Wilson to ship a new Lifecycle exercise bike - free of charge - to 50 of the top club owners and managers across the country. After giving them the opportunity to try the bikes in their homes, Nieto paid each a personal visit. Wilson backed up the effort with persuasive phone calls to the people he knew personally; he had personal relationships with and the respect of most of the club operators in business at the time.

As predicted, almost all of the targeted customers were so impressed with the innovative exercise bike that they agreed to use it in their clubs. The Lifecycle bike proved to be such a unique piece of equipment that many facilities were able to market it as an "add-on" product within the club and charge extra fees for members to use the bike.

Consequently, Wilson and Nieto developed a program for clubs to lease six to ten bikes at a time, and then split the profits from utilization charges with Lifecycle, Inc. By 1980, most clubs realized it made more financial sense to assume full responsibility for the lease and keep all of the profits from fees, and purchased the bikes outright. This risk-free trial of Lifecycle bikes turned out to be an incredibly ingenious and profitable marketing move.

Bally: Bike's Best Customer Buys Lifecycle, Inc.

As Lifecycle, Inc. progressed, Bally Health and Tennis Corporation, one of the nation's preeminent club chains, became the company's largest customer. At one point, a single order from Bally for 1,000 bikes enabled Lifecycle to go into mass production and lower its costs taking the company to the next level. Through economies of scale, technology and redesign, the sale price of the product dropped to $2,000. By 1981, Lifecycle moved into the commercial club market with huge momentum.

While Nieto focused on sales and marketing, Wilson continued to refine the design and manufacture of the Lifecycle bike. He added a touchpad console, increased the number of resistance levels from 10 to 12 and redesigned the mechanical components for smoother operation. Lifecycle used Family Fitness Centers and Bally Health Clubs as beta test sites to help fine tune the evolving product.

Despite their growing success, both Nieto and Wilson saw a need for a substantial influx of capital into Lifecycle, Inc. for more research and development. They were brimming with ideas for advanced equipment, including a series of computerized strength training machines, but had limited resources. Nieto approached Bally as a natural fit for buying the company. The conglomerate had access to great engineering talent and manufacturing capabilities in slot machines - an analogous business to the club industry because equipment has to work 24 hours and day, seven days a week to generate revenue. The companies shared the same mentality of reliability, and Bally Health Clubs were Lifecycle's biggest customers.

Bally Manufacturing Corp. of Chicago purchased Lifecycle, Inc. in 1984 when its revenues were approximately $6 million per year, named the company Bally Fitness Products, Corp. and appointed Nieto executive vice president. Wilson, in addition to his portion of the purchase price, received a five-year consulting agreement for $250,000 per year to provide advice about equipment and industry trends, after which his professional involvement with Lifecycle, Inc. ended.

Under Nieto's direction, the company flourished. In 1985 the Lifecycle Exercise Bike 7000 Racer was introduced, featuring racing-style handlebars, pedals with toe clips and a slimline seat. In 1987 the first Lifecycle exercise bike for the home was sold, and Bally renamed the company Life Fitness and Nieto its president. The year 1990 celebrated the production of the 100,000th Lifecycle exercise bike, and revenue grew to $77 million annually.

Nieto and the Lifecycle Bike Remain in the Lead

In 1991 when Bally decided to sell some of its divisions in order to focus on the casino and health club businesses, Mancuso & Company, an investment bank out of New York, purchased Life Fitness. Nieto was retained as president and chief executive officer of the privately-held company.

Over the years, Life Fitness and the Lifecycle exercise bike have continued to lead emerging trends in fitness equipment. Recumbent Lifecycle bikes were introduced in 1991. Lifecycle bikes with Heart Rate Zone Training programs and patented Lifepulse digital heart rate monitoring systems were brought to market in 1992. Electronic message centers were featured on commercial Lifecycle exercise bikes starting in 1995, and belt drives replaced chain drives the same year. Upright Lifecycle bikes also got ergonomic racing-style handlebars.

Besides attracting attention and gaining the support of major players in the fitness industry, the Lifecycle bike has enjoyed its share of Hollywood celebrity endorsements. Lifecycle exercise bikes have also appeared in numerous movies and television shows, including "Rocky III" with Sylvester Stallone, "Scrooge" with Bill Murray, and "Seinfeld."

In 1997 Mancuso & Company sold Life Fitness for more than $300 million to Brunswick Corp., a market leader in the active recreation industry based in suburban Chicago. Life Fitness operates as a division of Brunswick headed by Augie Nieto, and is the global leader in the design and manufacture of a full line of exercise equipment for commercial and consumer use.

Through three decades and eight models, Lifecycle exercise bikes have set the standard for computerized fitness equipment around the world, having pioneered virtually every major improvement in technology, ease of use, comfort and motivating feedback. It is still the company's most popular product and currently the No. 1 bike used in commercial fitness facilities. It also ranks first in its category among consumers worldwide. Nearly 400,000 Lifecycle bikes have been produced since its introduction 30 years ago.

From its unlikely beginning as the personal fitness challenge of a chemist, through numerous failed marketing attempts and millions of investment dollars expended, the Lifecycle exercise bike's revolutionary ride to the top was rough. Yet today it sits at the heart of a multi-billion-dollar worldwide industry, a testament to the power of passion - the passion and foresight of those who believed in its innovation and the importance of cardiovascular fitness.

(Life Fitness, Lifecycle, Lifepulse and Heart Rate Zone Training are trademarks and/or registered trademarks of Brunswick Corporation. Life Fitness, 10601 West Belmont Ave., Franklin Park, Ill. 60131 Phone: 847-288-3300.)

...Bel Air

continued from page 20

very generous with the bonus plan. I think one of the key things is that people now have a blueprint for what they are expected to do."

Ralph, " As owners and managers we have a responsibility to educate the staff. It's a given, obviously, the more they know, the better they are at doing their job. But there is a business literacy responsibility which I think is real important. We are within 1 to 2 percent of our budget and I don't think that would happen if we didn't have business literacy amongst the staff."

Bradshaw, "And, the profit continues to go up, which is nice. Profit really is a by-product, but for me, if I don't produce profit, then I'm not doing my job. But, we do it in such a way as to not emphasize profit, but to emphasize literacy, planning and systems."

Ralph, "And being results oriented."

So, there you have it. A revealing conversation with Roger and Elaine Ralph with their Bel Air Athletic Club General Manager, David Bradshaw. It is easy to see why Bel Air has reached the levels of excellence that it has. Our thanks to Roger, Elaine and David for their time for this interview and for their assistance on Parts I and II of this 3-part series.

(Norm Cates, Jr. the Publisher of The CLUB INSIDER News and a 25-year club industry veteran. Cates was a co-founder of IHRSA and the 1st President of the Association in 1981.)

Try BodyPUMP Risk-Free For 90 Days

If you're not completely satisfied, we'll refund your money. Guaranteed.

Simply try BodyPUMP in your club for 90 days. If BodyPUMP is not increasing your memberships - and your profits, we'll repurchase the barbells including freight and reimburse the entire three months license fee. There is absolutely no risk and no better time to put BodyPUMP on your schedule. *Guaranteed.*

This offer is limited, so call The STEP Company today.

BODY PUMP
THE STEP COMPANY
LES MILLS INTERNATIONAL

800.SAY.STEP • 770.859.9292 • www.bodypump.com