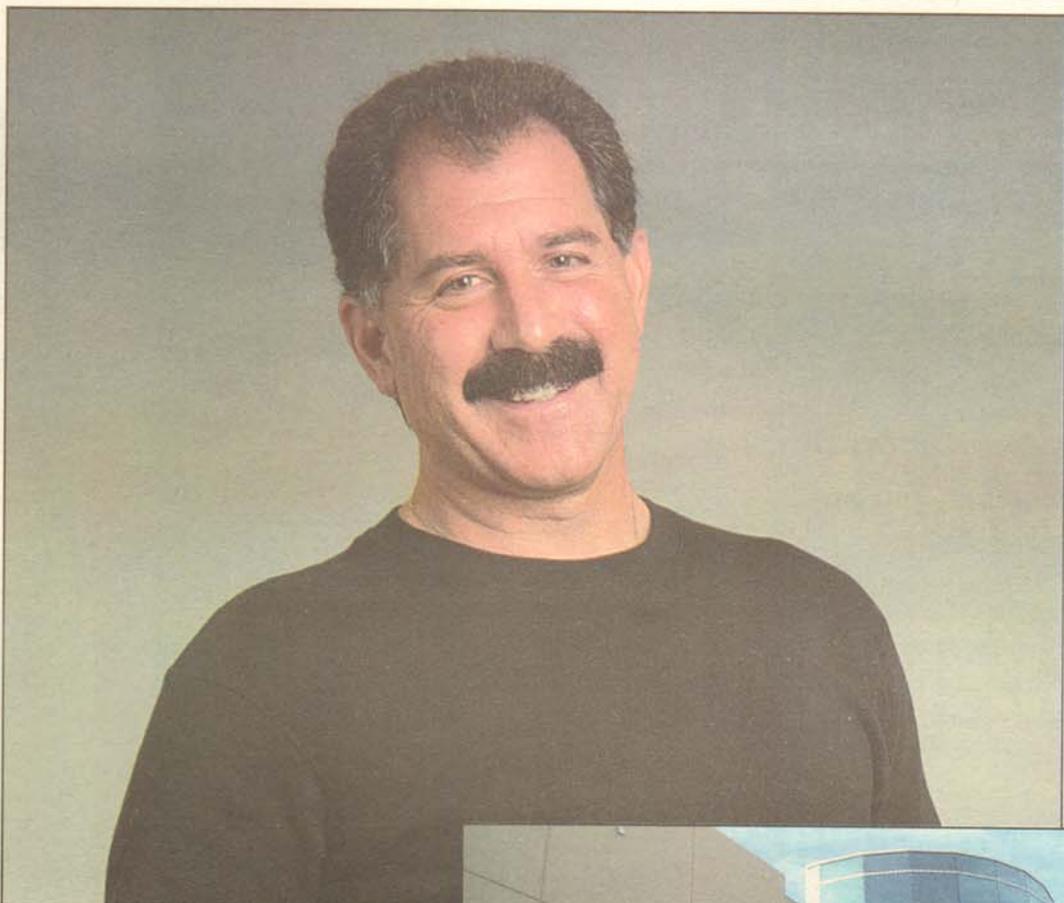


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Norm Cates'
THE Club Insider
NEWS

The Pulse of the Health, Racquet & Sports Club Business Worldwide

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VOLUME 8 NUMBER 11



New ACE Logo



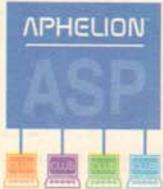
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OPENED NOVEMBER 9, 2001**

Kenny Germano

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THE CLUB INSIDER[®]

NEWS

The Pulse of the Health, Racquet & Sports Club Business Worldwide

Ken Germano Leading ACE Into The 21st Century

By Norm Cates, Jr.

Have you ever known someone that seemed to be bound by destiny to do something very important for the world? Meet

Ken Germano, Executive Director of The American Council On Exercise. (ACE)

The American Council On Exercise is a nonprofit organization committed to promoting active, healthy lifestyles and their positive effects on the mind, body,

and spirit. ACE pledges to enable all segments of society to enjoy the benefits of physical activity and protect the public against unsafe and ineffective fitness products and trends. ACE accomplishes this mission by setting certification and education

standards for fitness professionals and through public education about the importance of exercise. ACE was established in 1985 and since then, more than 88,000 people have taken the ACE exam. Today, there are nearly 40,000 active ACE-certified Fitness Professionals in the

U.S. and 77 other countries.

Ken Germano became the Executive Director of ACE in the Spring of 1998. Since then, he has been working hard to re-shape and recreate ACE and re-launch it with a new focus and
(See Germano page 7)

9 YEARS AND COUNTING!

By Norm Cates, Jr.

8 years ago this month The CLUB INSIDER News was

launched with the mass nationwide mailing of several thousand copies of our First Edition, a 12-page version of The CLUB INSIDER News. That inaugural edition featured a cover-story about

Red Lerille and his amazing club in Lafayette, Louisiana. Red is still going strong down in Lafayette and is finishing his 38th year of business. And, The CLUB INSIDER News is now

entering the 9th year of publication and is going strong as well, thanks to many. Part of that November, 1993 launch effort included a full day in the bus loading area at the Club Industry Show in Chicago

where I personally handed out a couple of thousand free sample copies of The CLUB INSIDER News to club professionals going and coming from the huge and al-
(See 9 Years page 5)

IHRSA CLUBS HELP WAR VICTIMS and FAMILIES

(This letter was sent to IHRSA Members and has been reprinted courtesy of IHRSA.)

November 7, 2001
Dear Friends,

As news spread about the tragedy unfolding in New York, in Washington, DC and in Pennsylvania, the health club industry rallied along with the country to show their support. Here in Boston, the International Health, Racquet & Sportsclub Association (IHRSA) received calls and e-

mails from members of the Association as far away as Australia, Germany and Argentina- all from people concerned about the well-being of their colleagues and friends in America.

Within the area surrounding "Ground Zero," local health clubs, including Crunch Fitness, became medical triage and emergency aide units or a place for the firefighters and volunteers to rest and take a shower. Crunch also donated \$100,000 to support the families of the firefighters, police officers and rescue workers who

either perished or who remain lost.

In Canada, 15,000 travelers were left stranded when their planes were grounded. New World Fitness in Newfoundland opened their doors to 4,000 of them in St. John and 400 people took advantage of the club's hospitality while they waited to enter the U.S. In St. Louis, Missouri, the Concord Sports Club hosted a two-day Red Cross Blood Drive, filling soccer fields with tables and booths for giving blood. More than 1,000

people donated 500+ units of blood and contributed more than \$1,000.

Shula's Athletic Club in Miami Lakes, Florida, presented a check for \$60,000 to the New York Firefighter 9-11 Disaster Relief Fund on Monday, September 24th, as a result of a week-long fundraiser involving the participation of some members of the Miami Dolphins.

Following the example of these and many other of its member clubs not mentioned here, the International Health, Racquet & Sportsclub Association (IHRSA)

made a contribution to support the relief effort. Under the leadership of IHRSA's President Geoff Dyer, the Association's Board of Directors authorized a \$5,000 donation to the American Red Cross on behalf of its members.

For additional information on how specific health clubs have contributed to the relief effort, please see the website at www.ihrsa.org.

(Editor's: See Norm's Notes this issue for more WAR news related to clubs.)

FitnessMX to Seek Suitable Suitor

Industry eProcurement Pioneer Faces Economic Pressures; Survival May Hinge on Partnering or Acquisition Scenario

BETHESDA, MD - OCTOBER 31, 2001 - Following nearly two years of groundbreaking achievements, health and fit-

ness Internet pioneer FitnessMX is looking for a strategic partner or buyer.

FitnessMX came on the scene with backing from some of the most influential and respected leaders in the health and fitness industry. Providing the first and only true e-commerce initiative specifically for both buyers and suppliers in the industry, FitnessMX quickly bolstered

its roster with more than 200 supplier companies and nearly 900 buying clubs within the first year.

Featuring catalog transactions, one-to-one contract pricing, MyAccount(sm) capability, real-time collaboration between buyer and supplier and custom-design features such as forwarding PO's for approval and one-click re-orders of "high volume" purchases, FitnessMX worked with these lead-

ers to be the solution to meet the industry's needs. The company also leveraged the buying power of the industry to bring smaller clubs in line with larger organizations for all items including capital expenditures and office supplies through exclusive deals with vendors such as Staples and A1 Textiles.

"The upside opportunity
(See FitnessMX page 6)

Inside The Insider

- Are You A Great New Business Income Developer?
- How to Guarantee Sales Success During Economic Shifts
- The Milner Report - News and Views on Aging

• NORM'S NOTES •

I am happy to be sitting here writing the 97th **NORM'S NOTES** column since we began publishing **The CLUB INSIDER** News in November, 1993! WOW, what an experience this has been to bring you this work every month. Please take the time to read my article that begins on page #3 entitled: **9 YEARS and COUNTING!** as it contains a number of important comments to you and the club industry. Plus, I've got a lot of news here in Norm's Notes and throughout this issue, which launches our 9th year of publication! Thanks very, very much to those of you that have so strongly supported me and this effort for the club industry. And, if you are one of the few who turned up your nose and predicted doom for this important work when we launched it 8 years ago, I'd like to say something nasty here, but I won't. Instead, I'll just say that I've 8 years of previous editions stored here and they are for sale, just in case you'd like to see what you missed. Email me at: clubinsidernews@mindspring.com For now, **LET'S ROLL!**

*The owner of one of the 8 clubs around the country that I am aware of that had lost approximately \$200,000 to Tools Management, Inc. through EFT Collections that were never forwarded to the clubs, informed me that **BRIAN HOMAN**, the President of Tools Management, Inc., has filed for **Bankruptcy Protection for Tools**. I've placed calls to Homan and to **FRANK ANDERSON**, the principal of Arizona-based **Computer Outfitters**, the company that attempted to keep **Tools Management Software** sales going, but they did not return my calls by press time.

***DALE DIBBLE** is one of the true greats in our industry and is now happily retired in Naples, Florida with his wonderful wife, **OLIVE MAE**. A year ago during the Thanksgiving Holiday weekend Dale experienced a serious setback with the heart problems that he has battled since 1985. He traveled from Naples to the **Cleveland Clinic** in Ohio for treatment. The doctors installed a new stent and did another angioplasty procedure and get this, the doctors told Dale that he was finished with treatments and that they only could project for him 2-4 months to live! Well, I am very, very happy to tell you all that our friend, the one and only, **DALE DIBBLE, is still alive and doing well down** in Naples at his retirement community. He and Olive Mae live at the **Hyatt Classic Village**, a retirement community that is about 170 acres and one heck of a nice place to live and enjoy life. Dale told me today he is exercising more everyday. Dale has truly shown those Cleveland Clinic doctors a thing or three. Actually, he has shown them a thing or 8. That is 8 MONTHS because that is how much longer he has lived so far past their prediction! Great going Dale and Olive Mae, keep that exercise up and keep on enjoying life. You're the BEST!

*Speaking of **REGULAR EXERCISE**, here is an introduction paragraph to a **Special Report** on obesity and the lifetime battle with my weight that I've fought. This report will be the first chapter of a book I am writing called "**LEAVING FAT CITY!**" The setting is at a

fellow called Joe's home. His friend, Geoff calls and here is the dialogue: Phone- "Ring-Ring." Joe- "Hello, Joe speaking." Geoff- "Hi Joe, have you heard the news?" Joe- "What news?" Geoff- "**Norm Cates, the Publisher of The CLUB INSIDER News, is LEAVING FAT CITY!**" Joe- "What? What are you talking about?" Geoff- "**LEAVING FAT CITY!** That's what Norm Cates is calling his new book about his lifetime battle with his weight. He is now on a serious weight loss and regular exercise program and has lost 82 pounds of his goal for a 120-pound weight loss. He told me that he started this program last year, on November 26, 2000, and has been very dedicated to it. By March he had lost about 38 pounds, but he was not moving along very well on the weight loss by last Summer. But since then, he found a Coach that he calls his '**Guardian Angel**.' She has inspired and motivated him to increase his daily exercise and he has now lost **82 pounds** and is just **38 pounds** away from his goal of 120 pounds off! He projects to be at his old college football playing weight by March 1, 2002, just in time for **IHRSA's 21st Annual Convention and Trade Show in Phoenix**. He says he walks a minimum of 3.2 miles a day and on Saturday or Sunday, he walks 10 miles nonstop in about 2 hours and 45 minutes. He tells me that even though his '**Coach and Guardian Angel**' is truly wonderful at motivating him, he would greatly appreciate any additional words of support and encouragement from his readers as he presses on with his pursuit of his goal. He told me to give you his email address and it is: clubinsidernews@mindspring.com He also said he fully realizes that after he has lost this weight, the **REAL CHALLENGE**, which he is **DEFINITELY UP TO**, will be to keep exercising regularly and a proper diet and keeping the weight off for ever." Joe- "Well, that is great news to hear. I was worried about old Norm! But, it looks like he has turned it around!" Geoff- "Me too. My money is on Norm. You know him when he sets his mind to something!"

***Cybox** Chairman, **JOHN AGLIALORO**, reported that 3rd Quarter net income had increased 17.7% to \$173,000 on sales of \$19.4 million. Aglialoro has been turning Cybox around the "hard-way" as opposed to the route **Nautilus, StairMaster** and **Schwinn** had used. And, we applaud him for that. Good luck John!

Let Us Hear About Your NEWS!

E Mail - clubinsidernews@mindspring.com

***McCown DeLeeuw**, the investment bankers that own **24 Hour Fitness**, named **CEO MARK MASTROV** as Chairman. He will continue as CEO. The firm put in \$85 million more in cash as well.

*Congratulations to **DR. REG BERKA** and **BILL NICHTBERGER**, the principals of **APHELION Software, Inc.** a Houston-based company as it was officially named to **Deloitte and Touch's "2001 CRESCENT TECHNOLOGY FAST 50"** recognizing Aphelion as one of **Texas's Top 50** fastest growing technology firms. Way to go Aphelion!

***LARRY TOTH** is the President of **LST Development** and last month had placed a classified ad in our October edition advertising his desire to **acquire or assume control of a health club**. Unfortunately, we made a typographical error on his phone number so I want to publish the correct number for Larry here. Larry Toth, whose corrected ad appears on page #26 this month may be reached at: (330) 722-3776. My apologies Larry for the error.

*Just in case you haven't done it, be sure to get in touch with the **Peabody Hotel** in Orlando (800.732.2639) and make reservations for December 5-8th so you can be at the destination hotel for **IHRSA/Athletic Business' 16th Annual Club Business Conference**. To reach IHRSA for information and to Register, call: (800) 228-2772.

***THOMAS PLUMMER** and **COMPANY** have announced that they are taking their seminars "**Back to Basics**" with a strong focus on membership sales. Check out the **Thomas Plummer and Company** ad on page # 19 of this edition.

***COLIN MILNER**, the Founder of the **International Council On Active Aging**, has announced the launch of **ICAA's Website: www.icaa.cc** Check out **The Milner Report** on page #22 of this issue.

***BOB PROVOST**, 25+ year owner of the **Greenville Racquet and Fitness Club**, has teamed with local U.S. Representative, **JIM DeMINT** to launch "**Help Keep America Strong**", a campaign to encourage all Americans to follow **President George W. Bush's** lead and use regular exercise to manage stress. In an

article in **USA Today**, it was reported that **President George W. Bush** has been working out even harder since the **War** on terrorism began and that he told his aides that working out makes him perform his duties better because it "gives him time to think and more energy." **AMEN President Bush! Let's ROLL!**

***Life Fitness** has announced the establishment of a new subsidiary in **Barcelona, Spain**. Beginning immediately, **Life Fitness Iberia** is responsible for the sales and distribution of **Life Fitness** commercial and consumer products in **Spain and Andorra**.

***ALAN** and **STEVEN SCHWARTZ'** **Tennis Corporation of America** announced on October 18th that it had acquired the **Athletic Club at Weston, Florida** and **LeSporting Club du Sanctuaire in Montreal, Quebec**. **TCA**, a leader in the industry, owns and/or manages 43 health, racquet and wellness facilities in North America, including corporate fitness centers for **General Motors, Kraft Foods, McDonald's, The Travelers and Computer Discount Warehouse**.

***TSI** and **CRUNCH Fitness** have not let the terrorist attack in New York City slow them down one bit and I'm thrilled to see it. Get this: On September 25th, the **35 New York Sports Clubs** owned in NYC by **TSI**, experienced the **greatest single-day growth** in the company's 27 year history. That Tuesday, the company sold more than **10,000 memberships!** **TSI** will open 3 more clubs in New York City this month. Also, **CRUNCH Fitness** experienced a **29% increase** in membership sales and a **19% increase** in usage as compared to the same period last year. Heart warming.

*Speaking of how business is going around the country, I took some time to reach out to club owners by email across the country. I asked 3 questions: (1) How are new membership sales compared to last year, same period?, (2) How are walk-ins compared to last year, same period? And (3) How is business in general compared to same period last year. Although my survey was quick and dirty, I was very encouraged by what I learned. The tone and mood was calm and really good. **ED WILLIAMS, the CEO of Wellbridge** that owns and operates over 40 clubs across the U.S.

(See Norm's Notes page 6)

Norm Cates' **THE Club Insider** NEWS

Established 1993

The **CLUB INSIDER** News is published in Marietta, Georgia. Those wishing to reproduce any portion of **The CLUB INSIDER** News may do so provided it is not for resale in other publications. Reprints for commercial use will be provided upon written request.

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...9 Years

continued from page 3

ways terrific CLUB INDUSTRY Trade Show. Guerrilla marketing at its best!

Beginning Our 9th Year Of Publication of The CLUB INSIDER News

Since November, 1993, The CLUB INSIDER News has chronicled a period in the health, racquet and sportsclub industry that has been the most prolific time for change and news in the brief history of our infant industry. As we begin our 9th year of publication it appears that world events will give all of us in the club industry many more challenges and yes, more news to report to you.

And, if you may wonder why I refer to our club industry as an 'infant', consider this. Let's compare our club industry to a mature industry, the hotel industry. If you believe that baby Jesus was born in a live stock barn in Bethlehem 2001 years ago, then there is good proof that the hotel business existed then, because the 'Inn was full' thus making Mary turn to accommodations in a barn for shelter. Consider the hotel industry that is over 2001 years old. That industry has a long history and is still in a state of flux and change as I write this. The most recent reasons being the WAR and its ramifications for both business and pleasure travelers.

Then consider the health club industry as we know it today. Think of the changes we've seen in the last 8 years. Industry consolidation on both the club and supplier sides. Major changes and vast improvements for the better at Bally Total Fitness. Significantly more acceptance of the health club industry by the world financial markets. More acceptance of health clubs by the medical world and the list goes on and on.

Our wonderful health club industry really is only about 60 years old and is truly an infant amongst industries. And, all of you are pioneers whether you want to accept that title or not. So, what have we learned in those 60 years?

CONSUMERS HAVE A GOOD MEMORY

One thing we've learned is that consumers have a good memory. By that I mean that

in the United States, only a paltry 11% of the population are members of the over 17,500 commercial health clubs.

You may ask 'WHY'? I will tell you why. The reason is that a high percentage of the consumers in America DO NOT TRUST health clubs and their operators. My guess is that virtually everybody in America has had, or knows someone that has had, an unpleasant experience with a commercial health club at some time in their past. Those old memories are keeping prospective members away from commercial clubs in droves. In fact, given the new acceptance and acknowledgment of exercise as important by 92% of the American population, it is very obvious that we have a serious problem that all commercial club operators need to face head-on. That problem is the lack of TRUST by the American consumer!

The bad experience that is holding a person back or directing them to a YMCA or other exercise facility may have been a situation where a consumer had joined a club with great anticipation of the great new body he/she would have after using the club and getting in shape. Then, the person just didn't show up and do the work necessary to change his body to what he wanted it to be. But, who does he blame for his lack of results? The club. Or, maybe the member had tried to use the club during his favorite time and it was so crowded that he could not even get near a treadmill. Who does he blame? The club. Maybe he joined because of the 'great expectations' provided by the talented membership sales person who, upon membership signing and payment, somehow totally disappeared from the scene, leaving the new member without any known contact to help him get the promised results! Or, consider this one. A person joined, paid his money in advance and the club closed during the term of his pre-paid membership, failing to deliver the promised club and club services. Who does he blame? The club owner, of course. So, is there any wonder why the American consumer does not trust the health club operators of America? I don't think so. Just face it.

So, if you wonder WHY only 11% of America's population have embraced what we are selling, it boils simply down to this. THEY DON'T TRUST US YET! 92% of them say they know how important regular exercise is now, but only 11% are with commercial

health clubs, a figure that should set off club industry alarm bell after alarm bell all across the land!

100 Million Members Is A Long Way Off!

IHRSA - The International Health, Racquet and Sportsclub Association has targeted a goal of 100 million commercial health club members by the year 2010.

50 million in the U.S. and 50 million worldwide. Let me give you all a clue. There will be way over 50 million health club members worldwide long before there will be 50 million members in the United States, unless our industry unites and does things that are truly revolutionary. Consider these ideas:

(1) We must adopt a set of nationwide uniform standards for club professionals that support educated and certified trainers and their efforts. Check out this month's Cover Story about ACE and what it is doing in this regard. If we don't get on the stick on this effort, we all might as well forget about it.

(2) We must develop a universal and mutually beneficial safety net or insurance plan to protect all commercial club members from losing their money in the event that any commercial club closes anywhere in America. IHRSA and ACE are the perfect organizations to take this idea, dream a dream and make it happen. Unified we can be strong and protect our industry through this effort alone.

(3) We must now begin to move commercial health clubs in the direction of EQUAL RIGHTS in regard to FEDERAL, STATE and LOCAL taxes. Virtually all commercial club owners are constantly faced with the possibility of competing with non-profit, tax-free competition that has a huge financial advantage due to their tax-free status. In the YMCA situation, for example, YMCAs enjoy an approximate 33% cost advantage over commercial clubs because they don't pay IRS, State or Local taxes and lots more. After supporting and promoting for years the efforts to take away this YMCA tax advantage, I am now coming to grips with a stark reality for our in-

dustry that I want all of you to consider today. That reality is that the playing field will NEVER be leveled by our efforts to get governments to take away the tax advantages enjoyed by YMCAs, JCCs, etc. They are way too powerful.

A CALL FOR FAIR and EQUAL RIGHTS FOR COMMERCIAL HEALTH CLUBS!

Therefore, I am stepping forward today and calling for all of the 17,500+ commercial health clubs in America to begin to think about this: If we can establish club operations that are so professional that it can be proven that it is DISCRIMINATORY to deny those clubs the same tax advantages that YMCAs or JCCs enjoy, then we will be able to move our industry forward economically much faster than we are able to do today.

Let me say this a different way, just to be sure we are all on the same page. I am simply saying that now, in November, 2001, it is time for the leaders of our industry to change the approach that we have been using to deal with the tax advantages that YMCAs and other non-profits enjoy. That change should come in the form of a unified movement for FAIR and EQUAL treatment of all QUALIFIED commercial health clubs as far as Federal, State and Local taxes. Commercial health clubs and YMCAs and JCCs are all selling the same products: Health, exercise, fitness, disease prevention and injury recovery for basically the same prices. So, I ask each of you this question: "Why should YMCAs and JCCs and other non-profits continue to have the tax advantages that they have and commercial clubs should not have those advantages? We should move the battle from a focus on 'taking away' tax advantages from YMCAs, to a focus and objective of OBTAINING those same tax advantages and breaks that the YMCAs and JCCs enjoy. FAIR and EQUAL TREATMENT I SAY!

This fight will be one that commercial club operators will all have a much better chance of winning than the fight to TAKE AWAY these benefits from YMCAs, etc. Think about it.

In closing, let me just say this. After producing 96 monthly editions of The CLUB INSIDER News over the past 8 years our thrusts remain the same

as they were when The CLUB INSIDER News was conceived and developed by the members of the Faust Executive Roundtable #1 in Chicago in January, 1993. Those thrusts are:

(1) To deliver the health, racquet and sportsclub industry news FIRST before all of our competitors, (2) to provide educational articles that are helpful to club owners and managers as they improve and professionalize their clubs and increase their profits, and (3) to speak out and 'Tell-It-Like-It-Is' when it comes to important industry issues, such as the very important FAIR and EQUAL TAX TREATMENT issue that we have just addressed. FAIR and EQUAL TAXES, I SAY!

THANKS TO ALL THAT HAVE MADE THE CLUB INSIDER News POSSIBLE SINCE 1993!

We sincerely thank all of our ADVERTISERS for their incredible support over all of these years. Please buy your equipment and services from our advertisers. Thanks to all of our many terrific CONTRIBUTING AUTHORS for sharing their expertise and experience with us each month. Thanks to all of you PAID SUBSCRIBERS for investing with us so that you NEVER miss an issue of The CLUB INSIDER News. Thanks to RON HUDSPETH and MS. CATHY BROWN of Atlanta's HUDSPETH REPORT, The Pulse of Atlanta. Thanks to all of the wonderful folks at WALTON PRESS in Monroe, Georgia for the outstanding job they have done every single month for 96 months now in the preparation, printing and mailing of The CLUB INSIDER News. Thanks to my good friend, RICK CARO, and the Faust Roundtable #1 for their support and help. Thanks to JOHN MCCARTHY and all of the folks at IHRSA for their help and support. Thanks to my wonderful and very bright son, JUSTIN CATES, for his help and work keeping his computer illiterate Dad out of computer trouble. And, last but not least, thanks to my Dad and his wife Louise for their terrific support and encouragement over the years.

The CLUB INSIDER News is a great example of what can happen in this great country called America when one dreams a dream and pursues that dream with an unbridled PASSION. Thank all of you that have read The CLUB INSIDER News and over these past 8 years. STAY TUNED!

GOD BLESS you all and GOD BLESS AMERICA!

Norm's Notes

continued from page 4

told me that "Our business is back to normal on membership sales, but profit center revenue is down. The membership is reacting the same way it did during the last recession." Former United States Marine and veteran Baltimore club owner/operator, VICTOR BRICK wrote: "Norm-Numbers are down, but I truly believe that Americans will adjust to this new way of life and demand the things they have always enjoyed; entertainment, fitness, sports, relaxation, dining, time with friends. As it becomes less and less attractive to travel extensively or to have extended vacations, Americans will spend more money on leisure pursuits in their local

communities. This will include health club memberships. The movie industry thrived during World War II. We are opening a 24,000 s.f. club in January. We are confident that it will be a home run. We are attacking." STEVE ROMA, President of Work Out World in New Jersey, and very close to NYC, reported 75% of quota in October and for November, 93% of quota on new memberships sales. DEAN KACHEL, in South Florida reported, "New business is down since 9-11 and actual club usage is off 15%.

•More on the reaction to the WAR. Among many clubs and organizations across the land that have stepped up to the plate to help, here are 3 of the most significant situations we've

heard of: The United States Tennis Association, lead by USTA Chairman-Elect, ALAN SCHWARTZ, wrote a 7-figure check to be used for the families of the poorest victims of the WTC tragedy, Crunch Fitness in New York City lead the way amongst clubs by donating \$100,000 to the families of the New York Police, Fire and Emergency Rescue and STEVE ROMA of Work Out World lead fund raising efforts that generated over \$50,000! The clubs of America are reaching out and helping, just as the article on page #3 clearly demonstrates.

•Through all of this wild and crazy world comes the news that during the first six months of 2001, the number of commercial health clubs listed in America's Yellow Page Phone

Directories rose 3% from 16,982 to 17,531. Let's ROLL! •STEVE ROMA's Work Out World opened its 7th facility, a new 26,000 s.f. super club in Freehold, N.J. The new club was formerly housed a Cinemagic Movie Theater. Good luck with the new club Steve!

•Did you know that approximately once in every 1.25 million workouts, someone experiences cardiac arrest? In fact, in the last 120 days, IHRSA clubs have reported 4 lives saved by quickly applied AED (Automatic External Defibrillators). Now, IHRSA has negotiated a "quantity discount" with Philips, the maker of the Heartstream AED and IHRSA members cans save 20%

to 30% or approximately \$1,000 on a unit. Club owners state unequivocally that their AED investment "was the best investment they ever made." For further information, call Philips at: 1-800-453-6860, ext. 1648.

•The National Academy of Sports Medicine opened a new State-of-the-Art training facility in Calabasas, CA. The facility has more than 15,000 s.f. of exercise, education and administration space. Congratulations folks!

•BRIAN EVANS, the President of Richmond Fitness, Inc. dba The American Fitness Centers, announced that MILLS BRADSHAW has been named Fitness Director for the Colonial Heights location.

•STAY TUNED! And, GOD BLESS AMERICA!

...FitnessMX

continued from page 3

is still there," said Co-founder and CEO Richard Warren. "Unfortunately, we are at a point where we need a push to get to the next level and really grow the business. Companies are active and product is moving, but we always planned on three phases for our finished product. We still need to implement the RFQ and Auctioning ("Special Offers") aspects tied into the eventual integration of electronic funds transfer, and we are not in a position to see that through given the current situation."

The Company boasts a Board of Advisors that includes six (6) former IHRSA Presidents and a committed staff that has intimate knowledge of both the health and fitness industry and the Internet/e-commerce.

"All along the goal with

FitnessMX has been to develop an easy-to-use custom platform built for the fitness industry - and to cultivate a dedicated membership of clubs and vendors and we did that through one-to-one relationships, training, and perseverance." Warren said. "We are proud to have accomplished that and more.

"We have a good thing going here," Warren continued. "This is basically a turn-key solution now. We have already covered the hard part - making the inroads, investing heavily in technology, testing the product with large and small groups, and launching successfully - but we as a company now have to look to leaders within the industry to step up in order to leverage our early-stage proof of concept and positive user experiences. If FitnessMX goes away, the indus-

try loses a great opportunity, one that many great organizations are using today and many more have committed to use in the near future. Our demise would likely set back legitimate procurement initiatives within this industry for three to five years."

About FitnessMX

FitnessMX is the Procurement and Collaboration standard for the health and fitness industry. FitnessMX leverages price value and increases business efficiency for buyers and suppliers both offline and online. By combining a contextual blend of commerce and content online, FitnessMX provides several key features including:

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...Germano
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direction. Germano's background just happens to be perfectly tailored for the challenges facing ACE and he is exuberantly pursuing that new direction.

Education and Vast Industry Experience Suits Germano Perfectly For Ace Role

Ken Germano was born in Forest Hills, New York and graduated from Manhattan College with an undergraduate degree in Biological Sciences and Physical Education. He attended school on a baseball scholarship. After graduation he played professional baseball in Italy and later played on the Italian Olympic Baseball Team. He was able to do that because his parents were Italian citizens and the rules allowed him to represent the country of his parents, thus he played on the Italian National Team. His Italian National Team won the European Baseball Championship Gold Medal in 1975 and then played in the 1976 Olympic Exhibition Games in Montreal, Canada. There were no medals awarded because baseball was an Olympic exhibition sport until 1988.

Germano went to Graduate School at Adelphi University on Long Island, New York, where he earned his Masters Degree in Community Health and was a Graduate Assistant. Community health focuses on community health-based initiatives, fighting drug abuse, child neglect and many other health initiatives. Germano's educational background is a perfect match for his role now as Executive Director of ACE, as is his cumulative 20+ years in the fitness business.

An Interview With ACE Executive Director Ken Germano

We met with Ken Germano last Summer in New York City and followed up that meeting with the following interview in which he shares his experiences and illuminates the new initiatives and objectives for ACE.

Q. "Kenny, you are one of the most well respected and experienced people in the health and fitness industry and it seems that your background experience, as well as education, ideally suits you for your role now

as Executive Director of ACE. What a match! It seems like the 'Powers That Be' a long time ago must have said, 'We're gonna let him do a few things and we're going to make sure that he has his Master's Degree and when he settles in, he'll be at ACE.' What do you say to that?

A. It's perfect! I feel like it is the sum of my life's experience.

Q. What was your next stop after obtaining your Master's at Adelphi University?

A. I was the Assistant Dean of Students at Hofstra University and Head Soccer and Head Baseball Coach. I had given up pro baseball and to play pro soccer for a team called New York United in the American Soccer League from 1978 through 1981. I was a goalie. We were the 1981 runners-up in the league championship. At the same time I had gotten into the club business.

Q. How did you enter the club business?

A. I had opened two small Nautilus facilities on Long Island with two of my buddies as partners. I used to buy my equipment from Randy Peterson and Nick Orlando. Getting involved in the two facilities on the side gave me a really good idea of what was going on. I was always fascinated by fitness equipment and came to realize then that I didn't want to stay in the club every day. One day in late 1980 I received a direct mail piece from a company called Cybex in Long Island — Ronkonkoma, New York. At the time Cybex was just a physical therapy company. They had a dynamometer and were able to test force producing capability through every range of motion and joint pattern of motion in the human body. I was really fascinated by that. So, we were researching to buy one of the machines and at the same time a guy I used to play ball with, named Tom Derosa, came into the club to workout one night and he happened to be a Controller at Cybex. I asked him what he was doing and he said he worked for a company called Cybex. I asked him, 'Do they have any jobs there?' and he said he would check on it. He came back and said 'Yes, they are looking for someone to manage Cybex sales in Canada.' So, I went down and I met with a guy named Bernie Zelhof who was the Director of Medical Sales. Working in Canada was not a big deal for me because I had spent a lot of time in Europe. I was very excited about Cybex. I thought it was really the next wave because at the time the insurance covered it and

all those good things were in place. Bernie called me the next day and said, 'We'd really like for you to be part of the team.' So, I took the job selling physical therapy equipment and continuing to educate myself. At the same time Cybex was looking for a strength line because of the inroads Nautilus was making in the physical therapy and orthopedic markets. There was always a strong competition between Cybex and Nautilus. We found a product at the Strength Coaches Show in Las Vegas in 1981 called Eagle Fitness Systems, invented by Roy Simonson, also the inventor of Ground Zero Design. The three biggest contributors to the strength technology have been Arthur Jones, Dennis Keiser and Roy Simonson. Roy was right there at the top with all of the things he has done with Eagle all the way along on his way to Ground Zero Design. Eagle was the right tool to compete with Nautilus. Eagle went to market in 1982 and that was my opportunity to

build a product on the fitness side. By 1985, after 100,000 miles in the car and 200,000 miles in the air, Eagle was replacing Nautilus in many clubs. We had built a very strong fitness side for Cybex. In 1987 I ventured West to go to work for a one product company called Lifecycle. I wanted to stay out in front. I went to work for Augie Nieto. Augie had a dream to build computerized strength equipment. My project at Lifecycle was to build the Lifecycle, Life Fitness' computerized strength equipment. During that development I pulled Bill Pearl out of retirement to get involved. We had quite a team. We launched Lifecycle in 1988. The Lifecycle Company name was changed to Life Fitness and the company grew by leaps and bounds between 1987 and 1989. In late 1989 I went back to Cybex, but I remained in California. My focus then was to re-energize the sales department for the fitness

side of the Cybex business.

ARNOLD WANTED KENNY TO BE INVOLVED IN FITNESS FOR KIDS

Q. How did you get involved in 'Operation FitKids'?

A. At the same time (1990) I was with Cybex in California I was asked by Arnold Schwarzenegger to help him get kids more fit and active when he became President of the President's Council. I created Operation FitKids (OFK). I acquired previously owned exercise equipment, refurbished it and created fitness facilities in high schools throughout California. Arnold and I continue to work together to this day.

While doing Operation FitKids and continuing to work with Cybex, I ventured out with a start-up and helped to develop a product in Boulder, Colorado called (See Germano page 8)

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Questions (must be completed for admission)

1. Which of the following best describes your facility/affiliation?
 Multipurpose club
 Fitness-only club
 Personal training studio
 College or university athletic or recreation center
 Park or recreation dept./district facility
 Military facility
 Hospital, rehab and wellness center
 Corporate fitness facility
 Senior/retiree facility
 YMCA/YWCA
 JCC
 High school/private school athletic facility
 Private sports/recreation center
 Pro facility
 Police/fire department
 Apartment/condo facility
 Church facility
 Community association/developer
 Architectural firm
 Consulting firm
 Association
 Manufacturer/distributor
 No facility
 Other (please specify)

2. Which of the following best describes your title? (check one)
 Owner
 General Manager

3. What is your role in purchasing or leasing fitness/sports equipment, products or services for your facility?
 President/Executive Director
 Vice President
 Fitness Director
 Recreation/Intramural Director
 Parks & Rec. Director/Superintendent
 MRF Director
 Athletic/Sports Director
 Assoc./Asst. Athletic/Sports Director
 Aquatics Director/Coordinator
 Youth Sports Director
 Program Director
 Facilities/Buildings & Grounds Manager
 Equipment Manager
 Athletic Trainer
 Consultant/Facilities Planner
 Consultant
 Personal Trainer
 Instructor
 Dealer/Distributor

4. What specific categories of products/services are you interested in using (please check all that apply)?
 Cardiovascular equipment
 Strength equipment
 Health screening/testing equipment
 Entertainment/sound/music
 Software/internet products
 Nutritional/recreation products
 Financial services/insurance
 Air/Frame structures
 Sports surfaces
 Weight room flooring
 Basketball/volleyball/soccer/baseball equipment
 Locker/locker room products
 Aquatic components/products
 Screenshots/large screen video
 Sign displays/padding/tying
 Blueprints/reading
 Conquest/tying/squash systems
 Tow arena/outdoor components
 Lighting
 Architectural/consulting services

5. Are you ready to show the show with plans to purchase any of the above products/services?
 Yes No

6. If yes, what is your timeframe for making such a purchase?
 Purchase at show/within one month
 1-3 months
 3-6 months
 6 months-1 year

...Germano

continued from page 7

the XL100. That was that big total body piece that we launched in 1992 under the company name, Cross Conditioning Systems. Cross Conditioning Systems became the global licensee for Reebok in 1996. I stayed with Cybex until that time.

At the same time, OFK continued to grow and expand nationally. It became a 501 (c) 3, not-for-profit organization. Then in 1996 I became a member of the Board of Directors of The American Council On Exercise. In the Spring of 1999 I was asked if I would be interested in becoming the Executive Director of ACE.

For me it accelerated my life's plan because my original plan would have been to amass enough funds to drive Operation FitKids on a full-time basis. My goal was to get to a non-profit side of things and

do good things for the industry while I was still here to do good things. Having this happen just accelerated that plan. Jill Kinney was the Chairperson at the time and was the one that presented me with the opportunity.

Jill Kinney, Vice President of San Francisco-based CLUB ONE, and ACE Chair at the time recalls, "As the Chairman of the ACE Board in 1998, we looked to replace the leadership and vision that Sheryl Marks Brown had provided the organization since its inception. We concluded that what we needed was an energetic, experienced manager who fully understood the fitness community and the opportunities that lay ahead. Since ACE serves many markets from individual consumers, fitness professionals to clubs and non-profit activity centers, it was important to find someone who was well-versed in various aspects of the

industry. I was on the phone with other members of the Board discussing this when Ken stopped by my office. As he walked in, I realized that he was the perfect fit. He was already a member of the ACE Board and knowledgeable about the Association's needs and issues. He was very experienced with the equipment manufacturers through his work with Life Fitness, Cybex, Reebok Cross Conditioning Systems and Ezone. He had created an award winning non-profit organization, Operation FitKids, and understood the roles and responsibilities of a 501c3 organization. And, Ken has a level of enthusiasm and commitment that is truly unique. When I suggested Ken as a candidate to the other members of the Board, they all agreed that he was a great fit."

"Over the last few years, Ken has proven to be all and more than we expected. He has doubled the size of the organization and has expanded the services ACE provides including publishing and new fitness professional programs. In November, ACE is opening a Headquarters located in San Diego. The building will provide offices as well as a training and research center for ACE professionals. Ken has truly done a remarkable job in expanding on the success of ACE and setting it up to be the on-going leader of professionalism in the fitness industry."

Ken Germano Now Leading Major ACE Initiatives List

Q. That brings us up to date. Now Kenny, you are leading a major transition at ACE that includes many initiatives, including the new ACE World Headquarters, a newly constructed 25,000 square-foot office building you've just occupied in San Diego. Tell me about the new building.

A. The Headquarters is located in Kearney Mesa which is geographically the center of San Diego County. It is an ACE owned property including the land and the building. We're very proud to be the only Association of our kind to have its own free standing headquarters. The building is 25,000 square-feet with expansion capability for 9,000 s.f. more. It has every component that we need, including the classroom facility, a fully equipped gym, publishing, certification, professional service, customer service, marketing, information technology, accounting. Everything. The Headquarters is also publicly accessible with a products and services store.

The ACE Vision
*We advocate healthy, active lifestyles
for all segments of society.
We are the leading provider of
certification and education to the professional,
commercial and retail fitness markets.
We protect the public against unsafe and
ineffective fitness products and instruction.
We support people, services, and products that
meet our standards of excellence.*

Q. Ken, you have established two significant mutually beneficial alliances with IHRSA (The International Health, Racquet and Sportsclub Association) and then the IAFF (International Association of Fire Fighters). First, tell me about the IHRSA alliance?

A. "As our on-going alliance continues, we have committed to work with IHRSA to create a standard for fitness professionals in clubs worldwide and to educate owners and operators to the importance of the role that these fitness professionals play in the clubs. We will ultimately be delivering quality service and providing results that IHRSA members have come to expect."

This is what John McCarthy, IHRSA Executive Director, had to say about Ken Germano and the ACE Alliance: "Ken has always reached out to club owners and club managers. As a result, it's not surprising that more and more club owners and managers are asking their personal trainers and fitness personnel to get involved with ACE. Also, on the tough issues, Ken has always listened to the concerns of clubs...this, too, explains why club people trust ACE."

Q. I understand that ACE is now focusing on its public and trade visibility. You have employed a company called ideaspa and also HeartCommunications with Michael Hoffman. I know Michael, but I am not familiar with ideaspa. Fill me in?

A. ideaspa is a subsidiary of Cimmarron, Bacon, O'Brian, one of the major production houses in Hollywood in motion pictures, consumer outreach, etc. Some of the things they have done are Gladiator, the Star Wars Trilogy, and they do all of Arnold's movies. They sit on the Boards of Universal, Sony and Paramount. The contact we have with ideaspa's Jeff

Bacon gives us an ultimate opportunity to reach the consumers which really has never been done in our trade. No organization has really gone outside the trade to drive it and sort of loop it back; and our goal is really to create consumer awareness of exercise and fitness, which in turn is going to support the efforts of our Certified Professionals and the club facilities. We are trying to get more people up and active. Michael is working with Jeff Bacon and ideaspa on a PR consulting basis and it gives us a greater outreach through Michael's experience.

ACE Provides Several Certification Options

Q. ACE has reached out and has created and developed several layers of certifications to help professionals from all walks of the fitness world adapt to changing populations and their needs. Ken, give us an overview of those certifications.

A. The four certifications are: Personal Trainer, Group Fitness Instructor, LifeStyle Weight Management Consultant and Clinical Exercise Specialist, which is really the highest level of certification in the business. It deals specifically with special populations, such as those with heart disease and diabetes. The people we see taking the Clinical Exercise Specialist Certification are more Ph.D. level medically-based in the market-place and it is obviously something for high-end club people to ascend to as well. And, we are currently researching the efficacy of an older adult certification. Right now, based on our research, we know that the market is kind of rewriting itself in that segment. So, there isn't a need to rush out there and do just anything. We want to do the right thing. Then of course our relationship with the International Association of Firefighters Union and our construction of the Peer Fitness Trainer Certification is ongoing now.

Q. I understand that ACE is one of the very few groups that utilizes an "independent testing ser-

(See Germano page 12)



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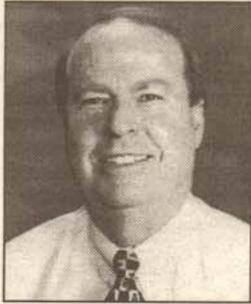
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Are You a Great New Business Income Developer?

By Paul Goldner

New business development, or the ability to bring new business income into your organization, is one of the most crucial skills for today's top sales professionals. The following questions will test your new business development acumen. These questions were compiled based on years of working with market leading sales organizations, discussions with today's top sales professionals and personal experience. Take the test and see where you rank among the world's top new business development specialists:

Question 1: By observing top new business developers, one can rapidly conclude that selling success does not happen by accident! Today's top new business developers are excellent planners. Planning typically takes place on two levels. First, top new business developers have a very clear understanding of their target market. By clearly understanding their target market, the sales professional can focus all of their resources on gaining sales from the very best companies in the marketplace. In other words, their market planning allows them to maximize the return they receive on the time they

invest in their business.

If you have a well defined market plan, award yourself five points. If you have a partially defined market plan, award yourself three points. If you have a limited market plan, award yourself one point.

Question 2: Great new business developers also make significant investments in the account planning process. If you have a formal account plan for your top accounts, award yourself five points. If you have made some investment in the account planning process, award yourself three points. If you have made only a limited investment in account planning award yourself one point.

Note: If you would like a market planning or account planning document that you can use or customize for use in your business, please write, fax or call us at the Sales & Performance Group.

Question 3: Great new business developers have also learned to overcome the fear of rejection. The insight here comes from the fact that they have overcome their fear of rejection not through the passing of time and the thickening of one's skin but rather from diversifying away

their selling risk.

Much of your risk in sales comes from working with too few customers and prospects. Today's top new business developers recognize this and have diversified away their account risk by working with more accounts and prospects.

Award yourself five points if you are completely "rejection proof". Consider yourself rejection proof when you are able to move through the sales process and feel that you have accomplished at least a small portion of your account goals in spite of less than favorable treatment on the part of a client or prospect.

If you only feel partially rejection proof, award yourself three points and if you feel customer and prospect actions largely control your mental attitude, award yourself one point.

Question 4: Great new business developers are prepared for each step in the sales cycle. They have well developed telephone scripts, they have objectives and questions prepared for each sales call, and have developed responses to common objections.

Award yourself five points if you have a well devel-

oped script prepared for your telephone solicitations. Award yourself an additional five points if you have developed a list of five open ended questions that you use when trying to understand customer or prospect needs. Finally, award yourself an additional five points if you have developed an appropriate response to the major objections you receive on your sales calls.

If you are only partially prepared in a given area, award yourself three points. If you feel that your preparation in an area could improve a great deal, award yourself one point on that portion of the question.

Note: If you would like a call planning worksheet that you can use or customize for use in your business, please write, fax or call us at the Sales & Performance Group.

Question 5: Great new business developers have learned how to differentiate themselves in the marketplace. They can answer the question "why pick me?" posed by many prospects and customers.

Award yourself five points if you have a well developed banner, or position statement in the marketplace. Your banner should answer the question "why pick you?" A great application of the banner concept is Roloids and their slogan "how do you spell relief?" It is something they have become known for in the marketplace. A partial application of the banner concept is worth three points and a limited application of the banner concept is worth one point.

Award yourself an additional five points if you have taken the time to develop a series of five unique selling points. Remember, most sales are made after the fifth call and a series of five unique selling points will both support your banner and help you consistently differentiate yourself in the marketplace on each successive sales call. Each unique selling point is worth one point.

Question 6: Today's best new business developers have a clear customer focus. Read the following quotation from Dr. Norman Vincent Peale in his book "How to Stay Alive All of Your Life" and determine how closely the quotation matches your sell-



Paul Goldner

ing style: "Think first of helping Mrs. X (your customer). And to do that you must first get to know her and her family; study her needs. Do not think so much about putting her money in your pocket as putting your chair, which she needs, into her home. Do this with all of your customers. Think of them as people needing your goods instead of yourself needing their money. Find ways of helping them overcome their difficulties, and you will overcome your own in so doing."

If you feel that the magnitude of your customer focus equals or exceeds that described by Dr. Peale, award yourself five points. If you believe that you are customer-focused some of the time and have an internal focus the remainder of the time, award yourself three points. If you believe that either you or your company largely has an internal focus, award yourself one point.

Question 7: Great new business developers realize that their success is fully within their control. While there are external factors that clearly enter into the process, the great business developer focuses largely on things they can impact. They are always moving forward.

Stephen Covey, author of the "Seven Habits of Highly Effective People", described this best when he talked about one's "circle of influence" and "circle of concern". Your circle of concern are all those things that you are aware of that you cannot change. Your circle of influence are all those things that you are aware of that you can impact.

If you believe that most of your efforts focus on your circle of influence, give yourself five points. If you feel that your time is evenly divided between the circle of influence and the circle of concern, award yourself three points. Finally, if most of your time is spent in the circle of concern, award yourself one point.

(See Goldner page 26)

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...Germano

continued from page 8

vice", much the same way college entrance exams are administered. Tell me about that.

A. "There are three major testing firms in the U.S. Castle Industries in Raleigh/Durham, N.C. who we use, Princeton testing in Princeton, New Jersey (who everyone knows from the SAT test), and Professional Testing Services, Inc. in New York. Most of the other smaller groups originated by people who worked for those three. The utilization of independent testing really is the critical hinge on this certification process. Number one it is important that we evolve things through a specific psychometric process and that things are validated through an unbiased and credentialed environment because we all know how our industry is about 'self-validation.' There is too much of it going on. ACE is

one of two organizations in the entire health and fitness certification world that utilizes independent testing services. And, there are over 300 groups that say they 'certify!'

American Council on Exercise Board of Directors

Q. Ken, tell me about your Board of Directors?

A. Our Chairman is Bill Shannon, the Manager For Customized Programs for the Disney Institute. Other ACE Board Members Include:

- Ross E. Andersen, PhD. - Assistant Professor of medicine at Johns Hopkins University - School of Medicine and the co-author of The Health and Fitness Leaders Guide to Running Weight Management Programs
- Rick Caro- MBA - Management Vision, Spectrum Clubs Inc.

•Kathy Nenneker- Senior Vice President/Group Editorial director of the Women's Publishing Group at Weider Publications, Inc.

•Michael Pratt, MD, MS, MPH - Centers for Disease Control & Prevention, Division of Nutrition and Physical Activity

•Ash Hayes - President of the San Diego State University Alumni Association and Board Chairman of the San Diego Council on Physical Fitness and Sports

•Janet Denyer - President and owner of Natural Resources Spa Consulting, Inc., a company that provides consulting to owners and management of luxury spa and health/fitness facilities

•Hannah Karass - Health Works Fitness

•Liz Neporent - Plus One Health Management

•Bob Tutnauer - RT Advisors

•Carlos Crespo Dr. Ph, MS. - State Univ. New York/Buffalo-Dept. Social Prev. Med

Field Service Management Team Helps Club Owners

Q. I understand ACE has created a Field Service Management Team to provide service to the industry. Tell me about that please?

A. People are assigned to regions similar to the way any company in our industry would drive the distribution of goods and services on a direct basis. I felt that it was imperative to support our initiatives, for example with IHRSA clubs, and really overemphasize repetitiously the need for a standard and for education. We emphasize that The American Council On Exercise is here to provide that support. It is not to be more competitive, it is to provide more service to the industry. I don't look at this as competition, I look at this as somebody taking a position that we need a standard in the industry and we need to create it. And the only way we are going to create it is through repetition. So, we are kind of re-purposing things, versus reinventing things.

CLUB INSIDER - In my opinion you are doing hugely important work because one major reason why we only have 11% of the population in America as members of health clubs ties directly to this lack of industry-wide accepted standards and professionalism in many clubs.

Germano- I'll give you an interesting sidebar here. We've been talking to orthopedic surgeons lately as to why they don't recommend patients in post-op-

erative rehab status to health clubs. They told us that they don't have enough confidence in the level of expertise in the health clubs, due to the lack of standards, to warrant sending their patients there. And, even if they only got 10 sessions covered by insurance they felt more comfortable with a physical therapist and they know they need to send them to a health club. They know this, but they are not doing it.

CLUB INSIDER - Well, that's a terrible condemnation of our industry when you put it right on the line like that.

Germano - Yes, it is.

Q. Ken, back for a second to your baby, Operation FitKids. I've said it before and I'll say it again. Operation FitKids is one of the greatest things that our industry can do and I strongly support it. And, I think this alliance with the Firefighters is awesome. How did that happen?

A. When we sat with the firefighters to discuss building their certification, there were more caveats to the alliance than we were aware of on the onset. They needed a way to disseminate information through publications and they wanted a way to connect with the community, especially with high school kids. Ultimately, because of the vocational recruitment opportunity within the firefighter rank and file, it is a tremendous career opportunity. There is no question about it. And now, with the emergency medical technician education required in many places prior to becoming a firefighter, it is a tremendous responsibility and opportunity. When they saw OFK and the assets that it brought to the table, they realized it was a direct way for them to take their mentoring expertise into those facilities with the kids. It was a win-win. They were so excited about it. OFK gained probably the best partner it could have gained as mentors and mentors are the ones that really drive the initiative on a daily-weekly ongoing basis. They establish the continuity. Fitness and wellness are one of the two major platforms for the firefighters. They are required to stay as physically fit as professional athletes or better! There is no question that when you strap on 70 pounds worth of gear you have to be in great condition!

CLUB INSIDER - Man, just think about those firemen and how fit and strong they had to be able to go charging up those World Trade Center Tower fire exit stairs!

Germano- That was where it was never more clearly

evident for firemen how important conditioning is to their job. You didn't see soldiers going in with rifles. You saw firefighters, men and women, going in with oxygen tanks on their back. And then, tragically, 356 of them didn't come out. But, as they said the following week in Phoenix at their meeting, 'We're here to go on and carry on in their names. The firefighters are incredible people and that is their spirit and philosophy. They are incredible role models for the kids. So, that helped expand Operation FitKids through equipment, mentors, training materials and then training for teachers and staff, as well. So, we've been able to significantly expand Operation FitKids when you look at what we are able to deliver now. Since the alliance with the firefighters began, we've been able to establish facilities in New York with the New York City Fire Department. Mayor Rudolph Giuliani, declared June 18th Operation FitKids Day in New York. And, this past September in Phoenix with the Phoenix Fire Department, we opened a new facility. It is a great partnership for our industry because of what the firefighters mean to the industry, not only in consumption of goods and services, but memberships in health clubs. I also want to be sure to mention that in respect to this September 11th attack, the folks at Crunch and TSI were just fantastic in creating facilities on a 24/7 basis for the firefighters and emergency rescue workers in lower Manhattan. They were great. We were able to publicize this on ACE and IHRSA's Website. And, we forwarded the information to the International Association of Fire Fighters IAFF, Executive Director, Harold Shaitberger and Mayor Giuliani as well. It is great to now be in position to do these things. Operation FitKids will flourish based upon its alliances and partnerships. There has never been a better and more important time for this. Our kids in America are more overweight and inactive than any time in history and we've got to get them going! Kids are the future. And, whatever the Baby Boomers have done to increase longevity, it is being eroded by the Y Generation and inactivity! We see OFK as an ultimate solution. We know we've affected the lives of thousands of kids around the country over 11 years. We know the ups and downs of it and we know what you can do for such a nominal amount. I want to just see people out there getting kids up and going. I can tell you from our relationship in Phoenix that kids have actually improved themselves to the point where they have joined local health clubs.

Q. How long has the mentoring program for OFK actually been in place?

A. Since we created the first (See Germano page 24)

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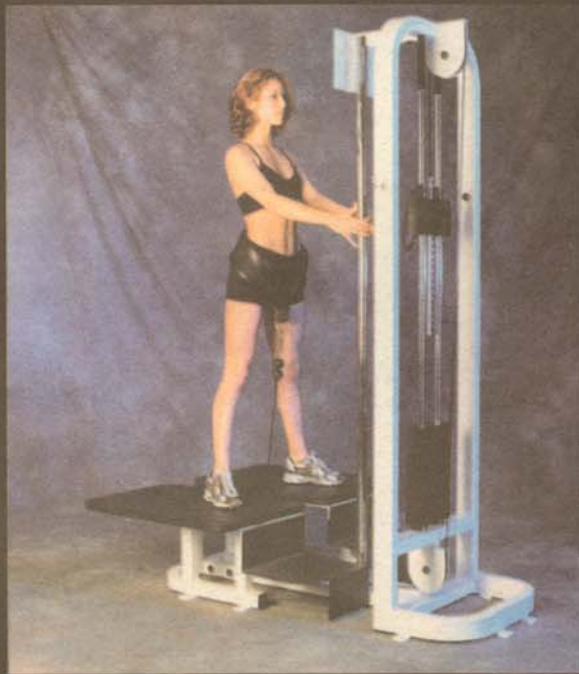
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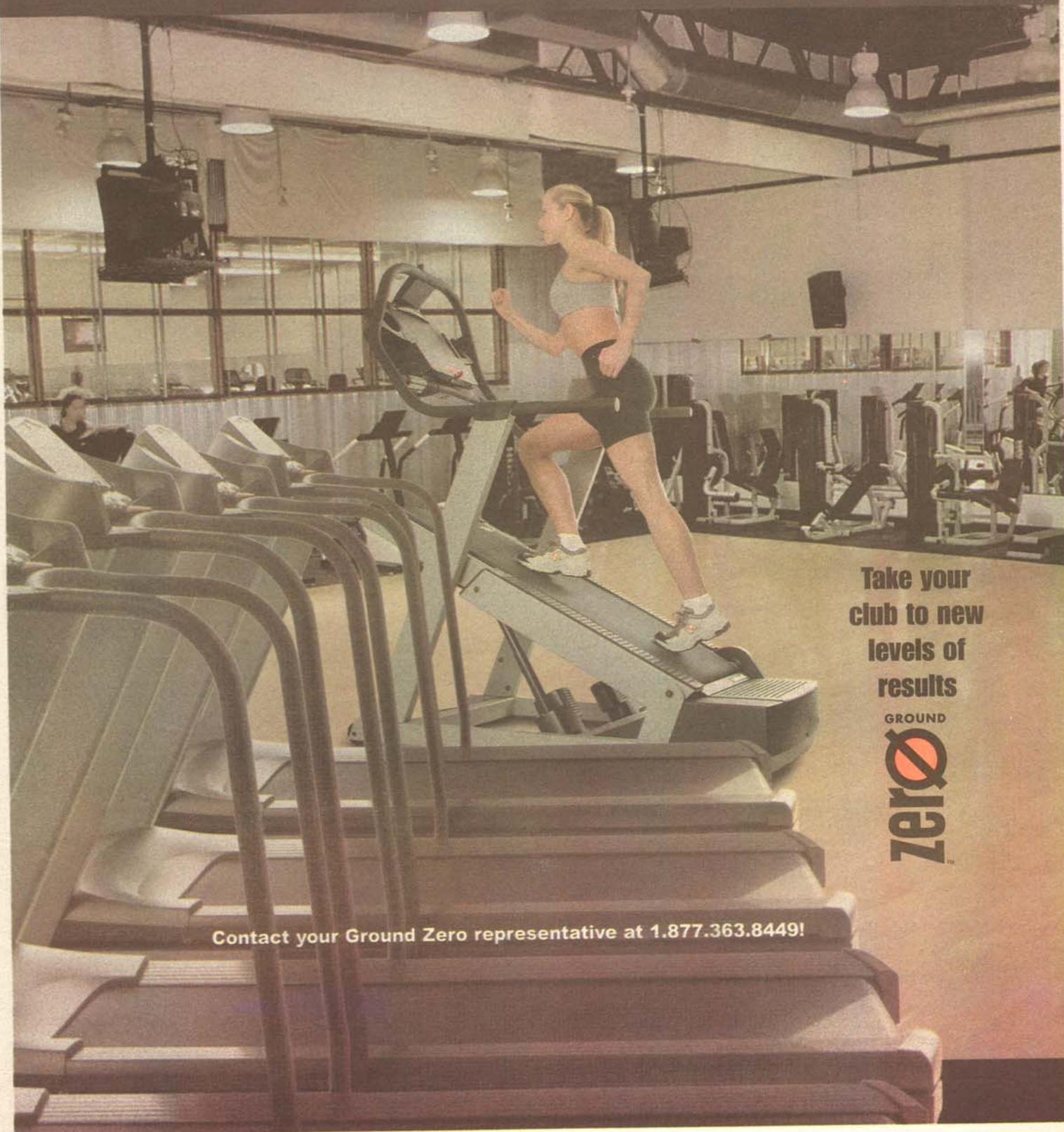
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How to Guarantee Sales Success During Economic Shifts

By Karen D. Woodard, President
Premium Performance Training

No doubt, there is some shifting going on in the economy. That does not mean doom and gloom or troubles ahead. What it does represent is an opportunity. Typically what happens in a strong economy is we get a bit lazy when it comes to diligence with cost controls and planning revenue growth. Whether your club has had a bout with complacency or not, the following tips will allow you to seize the opportunity to the fullest.

This information is presented for two groups: Sales Man-

agers (SM) and Membership Representatives (MRs). However, the content is applicable for any management personnel who directs a revenue generating program and any staff person directly responsible for any sales.

SM: Examine your cost per sale to determine how to minimize costs as well as intensify and refocus the sales effort. There are two ways to beat any economic shift - cutting costs and increasing sales. Yes, both can and need to be done in any economy. It simply takes diligence and rational commitment to know what will bear a positive effect and avoid what will bear a negative effect. Example: eliminating a sales person who

is productive or even quasi-productive to save labor dollars in the form of his salary is a bad move. Instead, refocus his efforts to be more productive. This is where they may need more training and follow through on your part as his manager. Provide a solid timeframe in which to create positive growth. When you see it, your investment will have paid off. If the growth does not happen, perhaps it is time for him to seek his success elsewhere. The problem with slashing labor costs and eliminating sales positions is that the club is now in the position of not having enough manpower to create business. The club will then find itself in the undesirable and downward curve position of selling only to those who are walking in and calling in. The sales team's job is to get out and create business not wait for call-ins and walk-ins.

SM: Be up front and honest with your team. If the club has had an unpredictably high attrition rate and a lower than projected new membership sales rate, that means we've got some catching up to do. Some managers make the mistake of not wanting to "put too much pressure" on the MR's and therefore avoid implementing a catch-up plan. Instead, they allow the MRs to simply go for the current month's goal (or worse yet, they lower the monthly goal) with disregard to the real picture. This spells disaster. You may be hitting the monthly goal, but you're not going to hit the year-end goal.

If due to attrition and lack of sales, you are 50 memberships down for the year, it has to be made up in a realistic time frame. Don't blow the sales team away by trying to make it up in one or two months. Instead, can you add nine more sales to goal each month and catch up or even get a bit ahead over the next six months?

Be honest with your team. If they trust you, they will redouble their efforts to hit the goals.

SM: Refocus your commitment to the club's vision, mission and core values. Your management skills, vision and commitment to the club's core values are critical to create a path of leadership. If everybody came to work everyday and did their best, we wouldn't need managers. The fact is that you

need to create an environment that brings out the best in people.

SM: Make the best of your meeting time. Your follow through with the team is critical to ensure that all cylinders are firing at all times. If you aren't currently doing so, now is a good time to implement weekly individual meetings with your MRs in addition to your weekly group sales meeting. The purpose of the weekly individual meeting is to take 20 - 30 minutes with each MR and work on performance issues. The cornerstone of this meeting should be their weekly sales report for you to determine where their performance issues really are. Is

it phone skills, closing skills, lack of follow up? The sales report will indicate the core issues. Additionally, this meeting is a good time for one-on-one training and inspiration for the MR.

MR: Polish up your prospecting and lead generation skills. Your job is not to simply take the call-ins and walk-ins, but to create business for the club and more income for yourself. Do you know how many leads you need every month to hit your goal? When you do, and you create them, it is a formula for guaranteed sales success. The number one reason that most sales people do not hit their goals is that they are not talking to enough people. Put together your plan for the next three months that focuses on referral, corporate and outreach lead generation activities. Once you do, and assuming your sales skills are where they need to be, you will not have a problem again with hitting goals. The big question is: what are you doing today to build for the next few weeks or months?

MR: Team up. When you are doing lead generation activities, team up with another MR on your staff. So often, MRs don't do lead generation activities because they don't find them fun or rewarding. Take control and make it fun. If you are doing a corporate activity or sales presentation, have two of you do the presentation and give it twice the energy, enthusiasm and follow through to double the results.

MR: Where do you need help with your sales skills? Is it phone work, your pre-tour work, qualifying, needs assessment, rela-



Karen Woodard

relationship skills, handling concerns, closing the sale? Determine what is holding you back and work on those skills. This is where your sales report will be revealing for you as well as your manager. There are so many tools available to you in the form of training books, tapes, videos, role-playing, etc. You could double your productive capacity overnight by committing to doing the things that you know will make you successful and discontinuing the activities that don't. Determine what you need to do to be able to continually repeat your best performance.

MR: Create urgency on your tours. Too often, MRs simply give a tour and don't create any sense of urgency other than promotional urgency at the end. Too often, that type of urgency creates pressure, not excitement. The purpose behind creating urgency on the tour is to create a reason for the prospective Member to join today. There are three tools available for us to create urgency and they are personal motivation, programs and promotions. My recommendation is to use all three all throughout the tour to continue to create numerous reasons why the prospective member should join today. To do this, you absolutely must know their true needs, motivation and concerns before the tour.

Urgency builds excitement for the prospective member resulting in a first-visit sale. Urgency also results in building excitement for you because when you have more first visit sales you create an upward momentum for yourself with regard to each sale there-

(See Woodard page 26)

Q: Where in the World can you find...

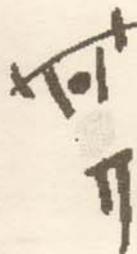
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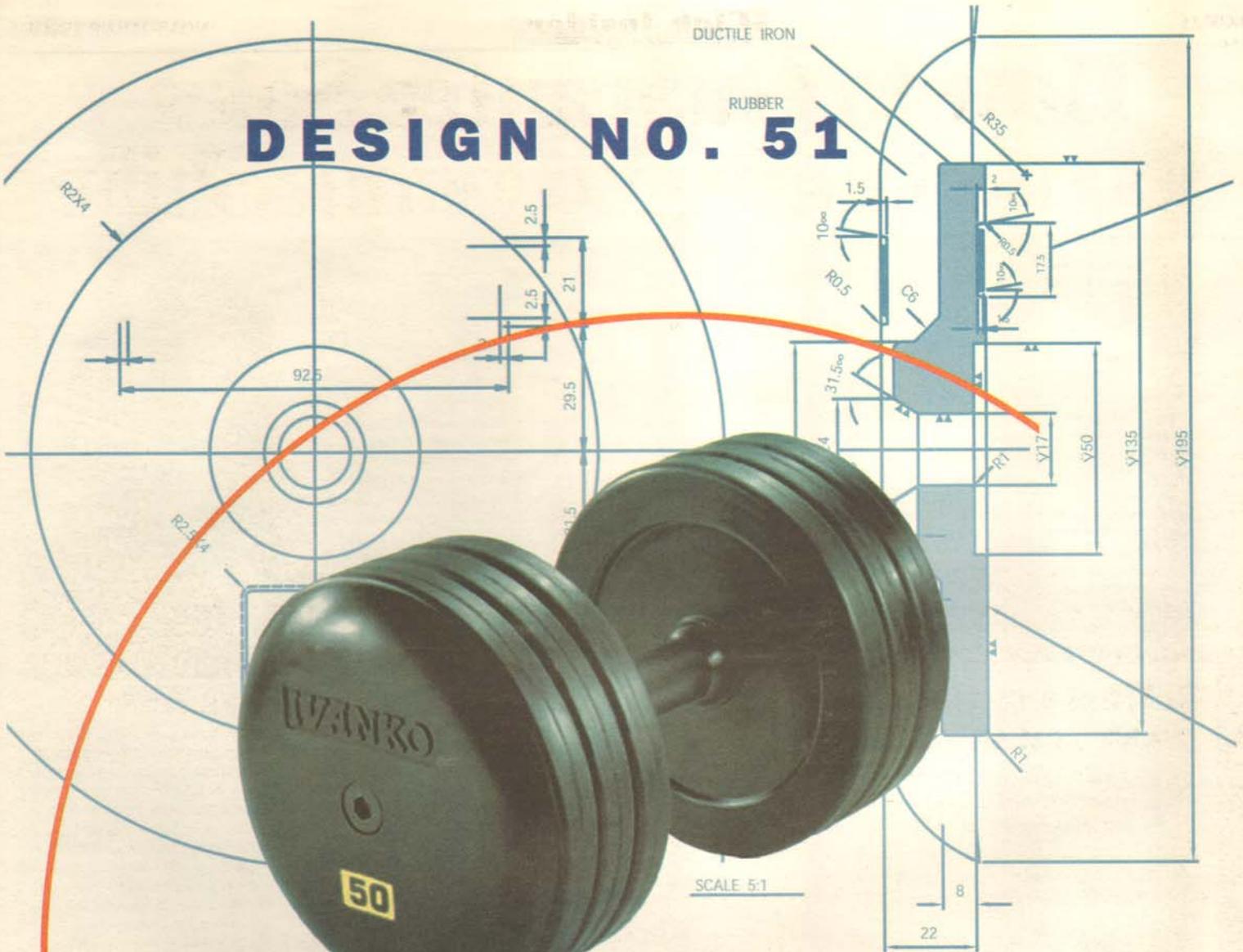
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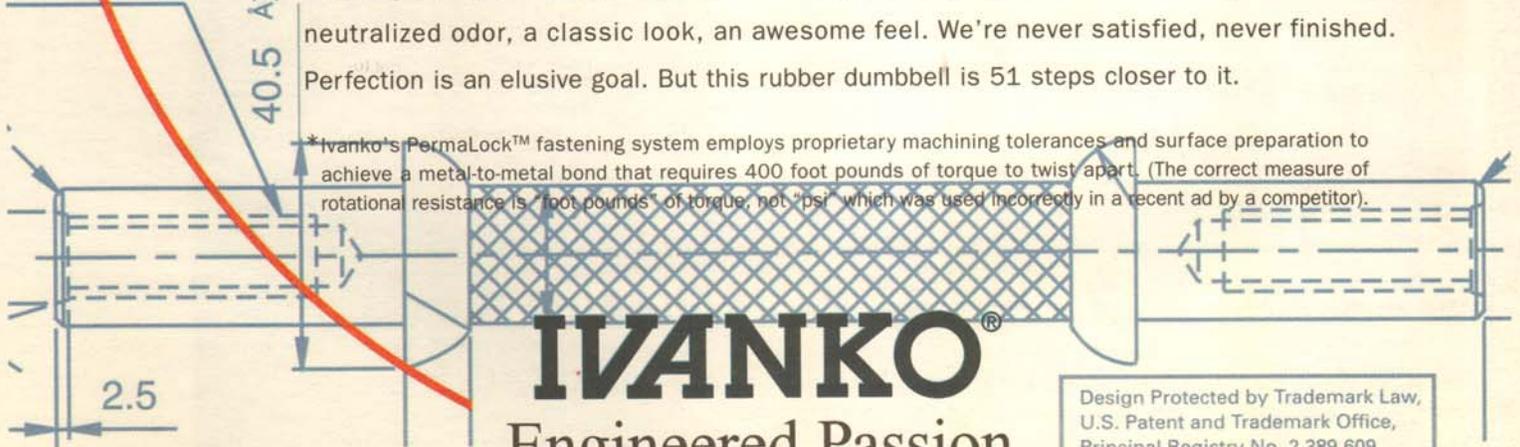
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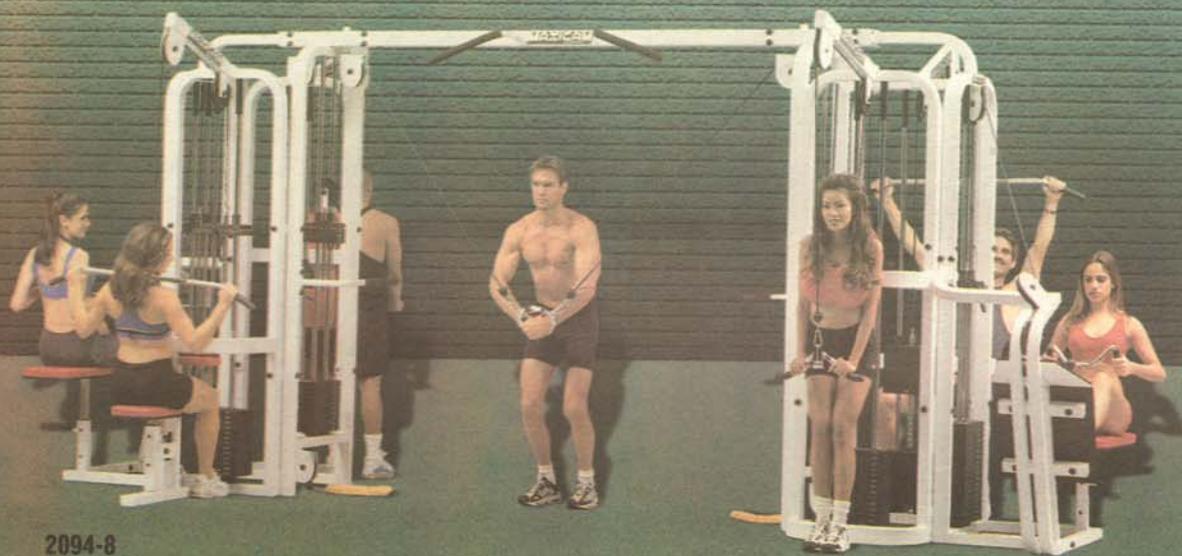


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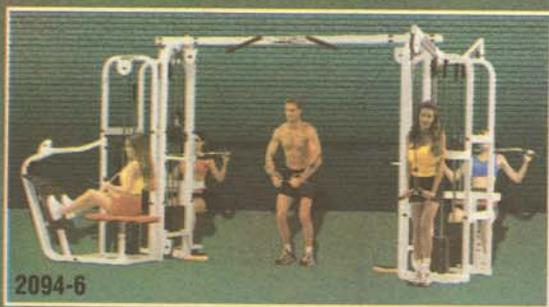
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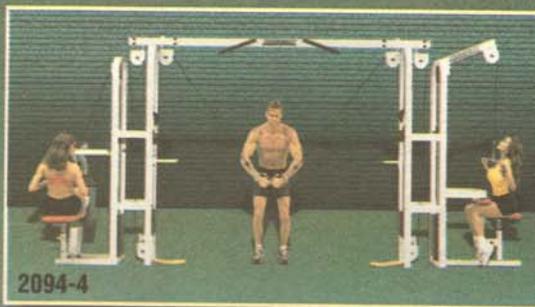
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IHRSA MEMBERS DEFEAT RECREATION REFERENDUMS

Voters in Grand Junction, Colorado soundly rejected a proposal to increase taxes for a \$25.5 million city-owned recreation center. By a 3-1 margin, voters turned down the measure that would have increased taxes \$2.9 million annually.

Dan Thurlow, owner of Grand Junction Athletic Club, led the efforts to vote down the 75,000 square-foot center, which would have included two swimming pools, two gymnasiums, a senior activity center, a running track, a cardiovascular weight room, a drop-in childcare center, racquetball courts, an aerobic and dance room and office space.

Elsewhere, residents of Park City, Utah voted 53% to 47% against a \$2 million bond for improvements to the community's "Park City Racquet Club." Residents have almost paid off the last bond to improve the Racquet Club, and thanks to the "no" vote, the owner of a \$350,000 home will now save \$12 a year in taxes. Congratulations to Michael Smith, General Manager of the Silver Mountain Club, who worked tirelessly to defeat this referendum.

Finally, last week we reported that Hampden Township, Pennsylvania commissioners will decide in January whether to build an 86,000 square-foot community recreation center. An incumbent commissioner who was a strong advocate of the center appears to have been defeated yesterday by a challenger who strongly opposes the center. This is a major victory in the battle to stop this \$17 million project!

NO SECOND TERM FOR SURGEON GENERAL DAVID SATCHER

Dr. David Satcher, the Surgeon General of the United States, says he plans to leave office when his term expires, on Feb. 13.

When Dr. Satcher took office in February 1998, he said his priorities were giving a healthy start to all children; persuading Americans to eat healthy diets, exercise and shun tobacco; eliminating racial disparities in disease; and giving mental health the same priority as physical health.

Dr. Kenneth Cooper — the fitness guru credited with coining the word 'aerobics', who is also George

W. Bush's personal physician — heads a short list of names being considered for the job, the San Antonio Express-News reports.

DALLAS TO LAUNCH 'SHAPE UP TEXAS!' INITIATIVE

City officials in Dallas, Texas, ranked the 16th-fattest city in the nation by Men's Fitness magazine, have launched a public health initiative to improve the city's fitness and slim down the population.

The "Shape Up Texas!" outreach and education campaign, a program sponsored the Dallas Mayor's office, Cooper Aerobics Center, National School Fitness Foundation and Brinker Communications, will use a free magazine, a web site, a 30-minute television program and radio advertisements to reach the Dallas residents beginning in January 2002. A similar program in Philadelphia, which has dropped from the fattest city to third-fattest as a result, "inspired" the Dallas initiative.

OSHA'S CONSULTATION PROGRAM LACKS RESULTS

Despite increased funding, the Occupational Safety and Health Administration's (OSHA) consultation program designed to identify and fix workplace hazards at small businesses has been unable to prove its effectiveness, the Wall Street Journal reports.

In recent years, OSHA has stepped up funding for its consultation program, which allows small businesses to invite the federal agency to check for hazards in workplaces without worrying about being cited for problems found.

But a report issued last month by the General Accounting Office finds OSHA has been unable to prove the program actually works.

The consultation program now accounts for 11% of OSHA's overall budget, with funding for the program rising by 50% from 1996 to 2001. But in more than 12 states, OSHA officials made fewer visits to employers and found fewer workplace problems, the report said.

For small business owners who are trying to comply with federal safety laws, OSHA's con-

sultation program does little to help.

California's Department of Industrial Relations decided to merge its consultation program with the federal one in hopes of finding a more effective solution.

"We weren't real happy with the effectiveness of the federal program," said David Bare, a program manager for the state. Bare says OSHA's program doesn't "identify the root cause of your problem" and fix it.

IHRSA MEMBER LEADS OPPOSITION TO PENNSYLVANIA REC CENTER

Hampden Township, Pennsylvania commissioners will decide in January whether to build a \$16.5 million, 86,000 square-foot community center in Creekview North Park, the Patriot-News reports.

About 450 people attended the first and most likely only public meeting commissioners will devote to the center before deciding whether to go forward with the project. Opponents, including IHRSA member West Shore Health Club and the YMCA, ran a public campaign against the center, claiming it will increase township taxes and unfairly compete with for-profit and non-profit health clubs.

Town commissioners say the center will in the long run generate revenue to help keep township taxes low.

The success of the opponents' extensive public relations campaign was evident. When the crowd was asked who is against the center, a clear majority raised their hand.

Several residents asked commissioners to put the center on the ballot as A referendum. Commission President Melvyn C. Finkelstein rejects that idea. "They elected us to make the decision, and that is what is going to happen," he said.

STATE LEGISLATIVE UPDATE

For more information on these bills, visit <http://www.ihrsa.org/publicpolicy/state/index.html>.

MICHIGAN: The legislature has reconvened and is again considering HB 4141, which would require the operator of a health club to do both of the following: (a) at all times during which the club is open, have at least one employee

on the premises who has completed a course in basic first aid and cardiopulmonary resuscitation; and (b) implement an emergency plan to address emergency services.

PENNSYLVANIA: The "Government Competition with Private Enterprise Act" (SB 1162) has been introduced. The measure would limit government as well as institutions of higher learning from competing with private businesses in the provision of goods and services, including fitness facilities. John Brinson, President of Lehigh Valley Racquet and Fitness Centers, worked with the National Federation of Independent Business (NFIB) to get this legislation introduced. To read the full text, visit <http://www.legis.state.pa.us/WU01/L1/B1/BT/2001/0/SB1162P1452.HTM>.

SBA PROVIDES DISASTER RELIEF TO SMALL BUSINESSES

The Small Business Administration this week announced the September 11 Economic Injury Disaster Loan Program (EIDL) to help small businesses across the country that experienced economic losses because of the terrorist attacks and the Federal actions taken after them.

The SBA has already provided more than \$49.9 million in loans to small businesses in the immediate vicinity of the World Trade Center and the Pentagon, the National Federation of Independent Businesses reports. But under the EIDL, businesses outside of the area are eligible for the capital necessary to cover operating expenses until business returns to normal.

Small business owners considering applying for the EIDL must either be located near an airport or be a supplier or provider of services to clients near the WTC or Pentagon, or in an industry greatly affected by the attacks. Small businesses that depended on any other business or organization that was shut down after the attacks are also eligible.

The deadline for applications is Jan. 21, 2002. For more information, go To <http://www.sba.gov/news/current01/economicinjuryfact sheet.html>.

IHRSA SUPPORTS ECONOMIC STIMULUS PACKAGE

IHRSA has encouraged

Congress' immediate action in addressing a stimulus package that will encourage investment and keep the economy forging ahead.

Last week, IHRSA Executive Director John McCarthy contacted Senator Max Baucus (D-MT), Chairman of Senate Committee on Finance, as well as Senator William Thomas (R-CA), Chairman of the House Committee on Ways & Means.

McCarthy stated, "Research by the Small Business Administration and other experts demonstrates that it is small business owners which are most likely to create new jobs, and hold on to his or her employees for the longest period of time during an economic downturn. For these reasons, it is very important that Congress assess the effectiveness of its stimulus recommendations by their impact on the independent business community."

IHRSA believes that Congress should act immediately to put these reforms into place and stimulate the investment that is imperative to boosting our economy.

IHRSA CLUB NAMED EMPLOYER OF THE YEAR

Congratulations to Maryland's Columbia Athletic Club, a Columbia Association facility, which was honored as Employer of the Year by the Howard County Commission on Disability Issues at a Disabilities Awards Breakfast on Oct.

Kyle Archer, a maintenance and fitness staff member born with Williams syndrome, a chromosome disorder, nominated the club for its efforts to respectfully treat people with disabilities.

IHRSA LOBBIES CONGRESS FOR P.E. FUNDING

On Monday, IHRSA President Geoff Dyer, Ex-Officio Joe Cirulli, and Executive Director John McCarthy met with Representative Anne Northup (R-KY) in Washington. The IHRSA representatives urged the Congresswoman to increase Physical Education for Progress (PEP) funding to expand & improve physical education programs in our nation's schools.

The U.S. Senate's Appropriations committee recently took a step to counter the adolescent obesity epidemic by approving a ten-

(See *Capital Report* page 26)



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THE MILNER REPORT

News and Views on Aging

At first glance, most fifty-year-olds appear to have very little in common with their twenty-year-old counterparts. But on one thing the experts do agree on, the two must exercise at the same level of intensity to achieve optimal health. With a mound of scientific evidence, that would make even the most skeptical a believer, we have started to see the true benefits that exercise can have on the aging population.

In this edition of the "The Milner Report," we cover the latest research on exercise and osteoporosis, cardiovascular health, arthritis and diabetes:

STRONG BONES MAY MEAN STRONGER MIND

In a large study of elderly people, researchers in Massachusetts have uncovered a strong link between thin bones and poor verbal memory.

Verbal memory impairment is one of the strongest predictors of the future development of dementia and Alzheimer's disease.

After the researchers adjusted the results for other factors that could play a role, such as age and sex, they found that men and women in the highest BMD quintile were 44% less likely to have verbal memory impairment than those in the lowest quintile.

These results suggest that high levels of long-term estrogen exposure may be a critical element in the preservation of verbal memory

with aging.

SOURCE: American Journal of Epidemiology 2001;154:795-802.

CAFFEINE, GENES TIED TO BONE LOSS IN OLDER WOMEN

An appetite for coffee and chocolate can take its toll on the bones of elderly women, especially those with a particular genetic mutation, researchers report.

The investigators found that in a group of women, whose average age was 71, those who consumed the most caffeine had significantly lower bone mineral density (BMD) after 3 years compared with women who consumed the least. BMD is a marker of bone strength.

Women with two copies of a gene with a mutation in the vitamin D receptor were even more prone to bone loss, the report indicates.

"Caffeine intake (above) 300 mg a day was associated with a higher rate of bone loss in postmenopausal elderly women at most of the skeletal sites studied and significantly so at the spine," Rapuri and colleagues conclude.

SOURCE: American Journal of Clinical Nutrition 2001;74:569-570, 694-700.

LOW-IMPACT EXERCISE MAY BOOST WOMEN'S BONE MASS

Aerobic exercise can increase women's bone density, and it need not be a high-impact regimen to work, new research shows.

In fact, experts' recommendations for general health—walking for about 30 minutes a day, a few days a week—is enough to lend the bones a hand, say George A. Kelley, of the MGH Institute of Health Professions in Boston, an academic affiliate of Massachusetts General Hospital.

Kelley

presented the study findings last week in Atlanta, Georgia, at the annual meeting of the American Public Health Association.

Walking was the most common form of exercise used in the studies, Kelley said. On average, women walked about a half-hour, 3 days a week. Overall, women who exercised gained close to 0.4% in bone mineral density in the lower spine, while non-exercisers saw a decrease of nearly 2%. Exercisers also saw a 1.4% gain in the thighbone, while non-exercisers recorded a loss of about 0.6%.

Since strength training with weights also helps bone density, he added, the ideal exercise plan includes aerobics and weights.

SMOKING: BAD TO THE BONE

Here's an important note for behavioral modification counseling:

If the risks to your cardiovascular system and the specter of cancer aren't inspiration enough to snuff out that butt, evidence now shows that smoking has negative effects on your entire skeletal system.

SOURCE: WebMD

EXERCISE HELPS OSTEOARTHRITIS

A recent study shows an exercise program can help prevent disability in older people with osteoarthritis.

In a study called "The Fitness Arthritis and Seniors Trial" (FAST), researchers studied 250 people 60 years and older with knee osteoarthritis. Researchers divided patients into three groups to determine if exercise could prevent disability in activities of daily living (ADL) such as eating, dressing, or bathing.

Source: Archives of Internal Medicine, 2001;161:2309-2316

ARTHRITIS NEWS

For patients with AS (ankylosing spondylitis), a three-week course of combined spa-exercise therapy, in addition to drug treatment and weekly group physical therapy alone, provides beneficial effects. These beneficial effects may last for at least 40 weeks.

SOURCE: Arthritis Care and Research

GETTING TO THE HEART OF FALLS

Unexplained falls among the elderly may not simply be due to aging. Rather, the falls may be a sign of an unrecognized heart problem, British researchers suggest.

In particular, the researchers looked at cardioinhibitory carotid sinus hypersensitivity, a heart condition that causes fainting or blackouts and can be treated with a pacemaker.

"This is the first time pacemakers have been studied for falls, not blackouts," said the researchers. Overall, falls were reduced by 70% among individuals with the pacemaker.

SOURCE: Journal of the American College of Cardiology 2001;38:1491-1496.

EXERCISE MAINTAINS ELDERLY HELPFUL ANGINA RESPONSE

Physical activity may help elderly patients retain a preconditioning response produced prior to a heart attack that seems to offer some protection against death, Italian researchers report.

Previous research has shown that in some cases, patients who suffer angina—chest pain due to an insufficient supply of blood and oxygen to the heart—shortly before a heart attack seem to have better chance of surviving. Doctors theorize this may be because the heart becomes preconditioned in some way to surviving without oxygen for a short period of time.

In elderly patients who had experienced preconditioning angina prior to having their acute heart attacks, in-hospital death progressively decreased from 35% to 4% as physical activity increased.

"The protective effect of angina is preserved in elderly patients with a high level of physical activity," concluded the researchers.

SOURCE: Journal of the American College of Cardiology 2001;38:1357-1365, 1366-1367.

DIABETES TO SOAR 165%

New research in the publication, Diabetes Care, shows that the number of Americans diag-



Colin Milner

nosed with diabetes will soar 165% over the next 50 years, but getting more people to change their diet and exercise habits could help put the brakes on the boom, US researchers say. Let's make a difference.

SOURCE: Diabetes Care

AGING MINDS GET A BOOST

For anyone in need of a memory boost, breakfast is indeed the most important meal of the day, according to Canadian researchers.

Their study of healthy elderly men and women showed that taking in calories after an overnight fast—be they from carbohydrates, protein or fat—boosted the participants' performance on memory tests.

SOURCE: American Journal of Clinical Nutrition 2001;74:567-568, 687-693.

If you would like additional information on any of the above research or have a question you would like answered, please email me at Colinmilner@icac.cc or call toll free 1-866-335-9777

(Colin Milner is the CEO of the International Council on Active Aging. He has 18 years of industry background including club management, consulting, and publishing, and is the former President of IDEA Health and Fitness Association and Chief Operating Officer of the Keiser Institute on Aging. He has authored over 60 industry articles and has been interviewed extensively in leading publications such as, The New York and Los Angeles Times and The Wall Street Journal.)

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...Germano

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OFK facility in New York last Summer. I want to also mention the other OFK partners in New York. Besides the New York Fire Department, Town Sports International (TSI) is the equipment provider. They donate the equipment and handle the deliveries and set up. Mark Smith, Bob Giargrdina and Ed Trainor of TSI and Richard Miller of Gym Source, have been just phenomenal in setting up the facility. So, we try to set up a consortium in every community. The fire fighters are the mentors and the

bigger club groups are starting to turn over the used equipment. It provides them with a good tax benefit by contributing their used equipment. Smart consumerism says that kids are going to support those that supported them when they were kids. They never forget.

Q. Kenny, the current rapidly moving success of Operation FitKids now must really warm your heart.

A. For me Norm, when I thought of that idea, it was kind of like I had thought of something and no one else had. It kind of became my responsibility. It really came down to this: 'If I don't do this,

shame on me!' That's what it really came down to. Whoever else that comes along and gets involved is welcome because it doesn't get done by me alone. You never know how long you're going to have to push the snowball up the hill, but it is worth it every step of the way because of all the kids we've been able to help. Every time a kid graduates and goes on to buy a health club membership, that is terrific. ACE is the perfect partner for Operation FitKids.

CLUB INSIDER - Well

Kenny, throughout this interview it sounds to me like you've been traveling under a blessed star. I

mean having that Master's Degree in the Community Health field so perfectly fits ACE. Plus, your vast industry experience connects you with many people. Now, the connection between ACE and Operation FitKids and the new relationship with the International Association of Fire Fighters all just seems to be a perfect package for you and ACE.

Germano - I guess it is just being in the right place at the right time.

Ken Germano is a major asset and contributor to our industry. He is continuing his journey of over 20 years in the health and fitness business with a real bang. We wish ACE, Operation FitKids and Kenny

Germano all the best as they go forward aggressively into the 21st Century.

(Norm Cates, Jr. is the Founder, Publisher and Editor of The CLUB INSIDER News. Cates is a 27-year club industry veteran. In 1981 Cates was the 1st President and a Co-founder of the IHRSA. In March, 2001, IHRSA honored Cates with its DALE DIBBLE Distinguished Service Award. In June, 2001 Cates was honored by the Italian Fitness Federation as the International Journalist of the Year. Cates may be reached at: clubinsidernews@mindspring.com)

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...Goldner

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Scoring: Included in the seven questions outlined above are ten point awards. Each award has a maximum point value of 5. Total points that can be received on this test is 50. If your score was in excess of 35, consider yourself an excellent new business developer.

If your score was between 20 and 35, consider yourself a good new business developer, but one with room for improvement. If your score was less than twenty, you have significant room for improvement on the new business development front.

As we all know, new business development, and professional sales skills in general, are learned skills. No matter

how you scored in the foregoing test, there is always room for improvement. New business development and prospecting is a crucial part of the sales cycle. The better you are at new business development and prospecting, the better you will be at selling. Look at your answers and scores on each portion of the test and determine your areas for improvement. The pursuit of sales excellence is certainly a

worthy goal.
May 2001 be a RED HOT year for you!

(Paul S. Goldner is a noted author, entrepreneur and professional speaker. He is the author of Red Hot Cold Call Selling, Prospecting Techniques That Pay Off! (AMACOM, 1995). Red Hot Cold Call Selling was selected by Executive Book Sum-

maries as one of the best business publications of 1995. Paul's second book, Red Hot Customers, How to Get Them and Keep Them For Life! (Chandler House Press) has been endorsed by Selling Power Magazine and every major professional selling organization. Paul can be reached at (914-232-HOT2(4682),) 914-232-4848 Paul@REDHOTSALLES.COM and WWW.REDHOTSALLES.COM.)

...Woodard

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after. We all know that momentum is critical to sales success.

MR: DO NOT APOLOGIZE FOR YOUR PRICE. Often times, we have a bit of an apologetic tone when it comes to our prices, which can destroy all your efforts thus far. My experience has shown me that this comes from two sources. 1. Lack of faith in the value and 2. Our own financial situation.

Regarding #1, if you are unsure about your value to price, sit down with your owners and have them explain their pricing philoso-

phy to you. You will more than likely find it enlightening. Regarding #2, this has to do with your own limiting beliefs. Here's an example: if you as a MR could not afford to be a member of the club you work in, then you can project this same reality on other people. That reality is absolutely not reality but more fantasy. There are plenty of people in your market that are in different financial scenarios than you at this time in your life and can afford your club very comfortably. My recommendation is to get out of your head financial issues as this is extremely limiting to your

sales success.
MR: Give yourself a "Check-up from the neck-up" as Zig Ziglar says. This is the most critical element to any MRs success. Before you even step into the club to work for the day, what is going on in your head and your heart? Are you prepared to have a stellar day or are you on autopilot and just coming in for whatever might come your way? What are you saying to yourself every morning and through out the day? You see sales success is not so much determined by what you say to your prospects as it is by what you say to yourself. You are in charge of your energy, your thoughts and

therefore, your results. Are you giving 100%? Because if you are not, how can you expect to get 100%?

The major problem in a questionable economy is not the downturn of economic indicators, but the down turn in people's minds - especially sales people.

The tips in this article are definitely a "back to basics" approach. That is the point - success in any economy can be yours if you have the basics covered well. There are always winners in every industry in every economic situation. Don't let your competitors be the winner be-

cause you forgot the basics.

(Karen D. Woodard is President of Premium Performance Training in Boulder, Colorado. She is an international author, speaker and consultant and provides successful marketing, sales, service and management training as well as consulting to the health and fitness industry. Karen works with clubs in the US, UK, Australia, Europe, South America and Canada. Karen has owned and operated six clubs since 1985 and now devotes her time entirely to consulting, developing staff training materials, research, writing, speaking and consulting. She can be contacted at 303.417.0653 or kdw500@aol.com.)

Capitol Report

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fold increase in PEP funding to \$50 million. However, the House of Representatives has

provided no funding for PEP. Those differences must now be worked out in a conference committee between the Senate and the House. Northrup will lead those negotiations.

SMALL BUSINESS COULD BENEFIT DURING WAVE OF LAYOFFS

Its old news that the slowing U.S. economy has led to numerous layoffs and hiring freezes. But a glimmer of good news during these tough times is that small business owners are finding it easier to attract and retain new employees. A year ago, many small business owners reported the tight labor pool made it difficult to woo potential hires with bonuses and added perks. But now it's more of an employer's market.

What does this mean for you as the owner of a small business? Three things in particular:

1. If you've been thinking of adding to your staff, this might be a good time to find high-quality employees — and you might be able to land them at more reasonable salaries than you could have a year ago.

2. Your current employees are less likely to jump to another company.

3. You may receive calls from executive search firms, trying to get you to hire new employees with sterling track records.

Before you begin building a bigger staff or scaling back salaries and perks of existing employees, however, remember one fact: there's nothing longer than an employee's memory, especially when it comes to how he or she was treated during a shift in the economy.

Your company is in business for the long run, and the key to your long-term success is not only hiring, but retaining, loyal employees. If you are understanding of your employees' needs and do the best you can to maintain their financial status quo, they'll know you truly value their work and will reward you with increased dedication.

THE Club Insider
Norm Gates

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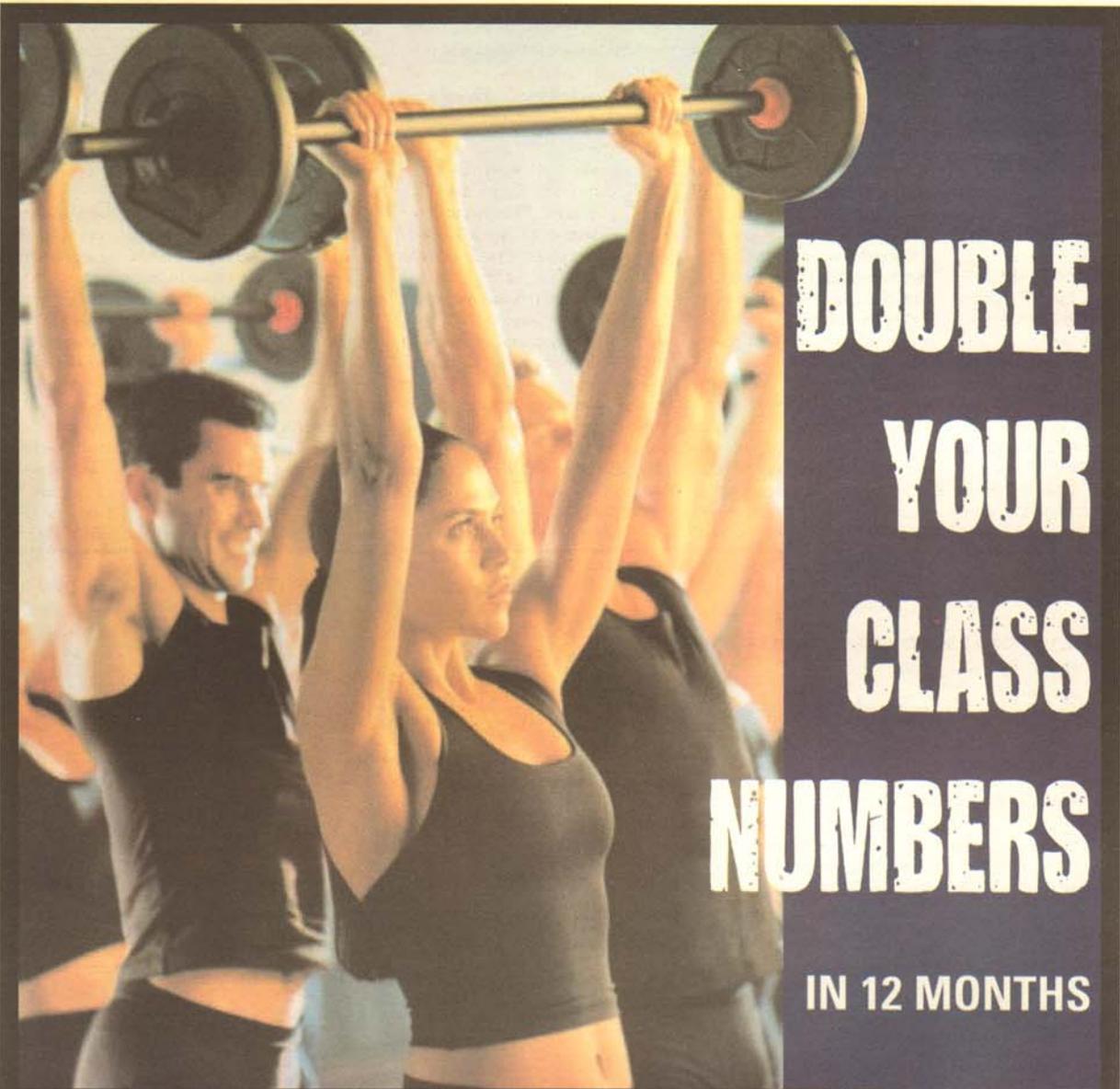
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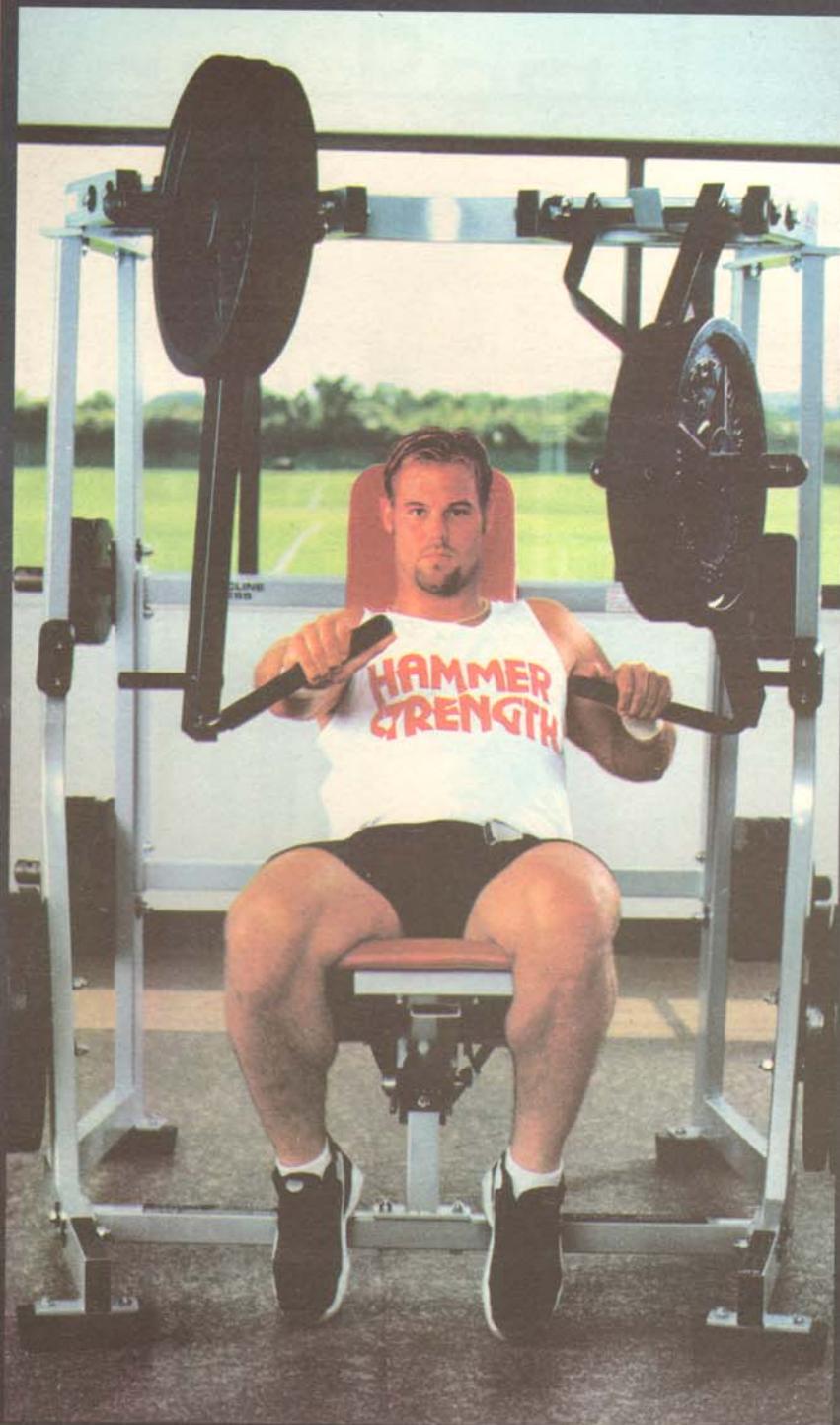


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