

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

Norm Cates'

THE Club Insider

NEWS

NOVEMBER 2002
VOLUME 9 NUMBER 11

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



Chicago's

East Bank Club

The Club World's Greatest Wonder!

CheckFree RCM Solutions

Not just hearsay.

[what our customers are saying]

customer service



"The RCM product has always been strong, but their support structure is what initially appealed to us and continues to champion our relationship today. The bottom line is that service sells and CheckFree delivered."

Tim Harper, IS Director
 Little Rock Athletic Clubs, AR

room to grow



"We only had two clubs in 1992, but we always believed in building infrastructure in advance of our expansion. RCM gave us solid multi-club tools and the confidence it would grow with us. We also knew the system would be flexible with our needs for customization."

John and Jill Kinney, CEO and COO, Co-founders
 Club One Fitness, California

no surprises



"The best surprise was finding out there were no surprises. There's always a performance difference between 'showroom' and actuality, but not so in our experience with CheckFree. Everything CheckFree promised was delivered - on time and on cost."

Dan Tilley, CIO
 Spectrum Clubs, Los Angeles/San Antonio

RCM Solutions from CheckFree Health & Fitness is the complete club management solution used in the nation's leading clubs. From member prospecting and management to total revenue control, RCM Solutions enables you to achieve higher profits with lower operating costs. Enjoy reduced paperwork, improved cash flow, higher member retention and much more.

RCM Solutions club management systems feature:

- **Software** – Its simple and intuitive user interface belies its incredible functionality and power. Available to run in a wide range of technical environments including Windows and LINUX.
- **Hardware** – Loaded, tested, and ready to run
- **EFT** – Complete electronic billing services transfer member fees into your business account every month
- **Professional Services** – Club management and operations consulting, technology strategies, and growth development and management
- **Technical Support** – For all aspects of RCM Solutions, including hardware, software, conversions and EFT services

CheckFree
 RCM Solutions

© 2002 CheckFree Corporation. All rights reserved.

CheckFree is a registered trademark of CheckFree Corporation. Other products referenced in this material may be trademarks or registered trademarks of their respective companies. 51.1.5-AD

For more information about CheckFree's RCM Solutions, call 800-242-9522 or visit www.checkfreecorp.com.

RCM Solutions. Complete Management. Total Control.

Norm Cates'

THE Club Insider

NEWS

Chicago's East Bank Club

The Club World's Greatest Wonder!

An Interview With Simon Meredith

By: Norm Cates, Jr.

Giant. Colossal. Huge. Massive. Enormous. Gigantic. Elegant. Incredibly successful. Try as I may, these adjectives simply do not capture the magnificence of the club world's greatest wonder. You must see it for yourself in order to grasp the excellence, the aura, the magnificence and the completeness of Chicago's East Bank Club. If there were "

7 Wonders of the Club World", East Bank Club would clearly be #1.

East Bank Club was conceived and built by two Chicago real estate men who truly have attained "visionary" status with their East Bank Club creation. Daniel Levin, Co-founder of The Habitat Company, a Chicago multi-family dwelling development company, and James McHugh, had envisioned in 1973, a twin-tower high-rise apartment with

a major fitness center located in between the structures. Those plans did not come to pass and the result was that instead of the development of the twin structures with a central health club, they began the development and conceptualization of one of America's earliest "Megacubs". Construction began in 1978 and took two years to complete. East Bank Club opened for business on December 15, 1980, almost twenty two years ago. The East Bank Club

celebrated its 20th Anniversary in December, 2000.

Just Imagine

Imagine a health club that is five stories tall and contains 450,000 square feet. Imagine a place with almost every facility, service or health and fitness opportunity known to man. (See the EBC Amenity sidebar on page #10). Imagine a club that generates \$47 million per year in revenues from over 10,000

EBC memberships with no external advertising, ever. Zero. Imagine a club that has spent \$44.1 million in improvements and remodeling during its 22 years of existence. Imagine a club whose restaurant does \$7.5 million a year. Imagine a club with just 15% attrition. Imagine a club that tracks 3,000 workouts per day. Imagine a club that has 57 department managers and over 600 employees.

(See East Bank Club Page 8)

10 Years and Counting!

By: Norm Cates, Jr.

My-oh-my, how time does fly!

In January, 1993, I traveled to Chicago to attend the Faust Executive Roundtable #1 meeting. Just 13 years prior to January, 1993, I had traveled in 1980 to New York for a meeting with many of these same Roundtable members, including Rick Caro, Curt and Jane Beusman, Todd Pulis, Red Lerille, and Mitch Wald, where we had founded IHRSA. In Chicago, I was armed with a list of 10 potential new businesses and I sought the wisdom and counsel of these IHRSA Co-Founders because I knew I would get the best advice possible from this team of friends and industry veterans.

My son, Justin Cates, now the Computer Layout Director for The CLUB INSIDER News, was just 8 years old. Justin's Mom and I had just built and opened an antique store for her, and I knew she would be spending many hours at the new store and she would not be at home very much. I had just finished 20 years of ownership of clubs in Atlanta and the Southeast and my last lease had expired. My list of ten potential new businesses all met a specific set of criteria: (1) The new business had to be in the health, racquet and sportsclub industry, because I wanted to continue to work with and serve the people everywhere that I had met and grown to love during my early years of service to IHRSA as its 1st President. (2) The new business had to allow me to work at home because I was

determined to be available to mentor and coach my 8 year-old son, Justin. (3) The new business could not require significant travel. This was a big criteria for me because in 1978, I had resigned my job as an airline pilot because I wanted to focus on the Courtsouth Clubs my partners and I had built, and I didn't want to always be gone from home as many airline pilots must be.

The Faust Roundtable Agenda had one hour scheduled for me to present my 10 new business ideas to the RT#1 group. I did that using flip charts which I still have until this day. From that one hour brainstorming session came the publication you all know and love, called The CLUB INSIDER News. In future RT#1 meetings, specifically, one six months later in DelMar, California, Curt Beusman dreamed up the name: The CLUB INSIDER News, during a wild brain-storming session focused on picking a name that would stick.

I am very happy to be writing to you today to tell you that with this November, 2002 edition, The CLUB INSIDER

News begins its 10th year of publication! To say that the past 9 years have been a really amazing ride would be a real understatement.

Last month I wrote and expressed my sincere thanks to my son, Justin, for his hard and dedicated work. I wrote thanks to all of you for subscribing to and reading the newspaper, I said thanks to our advertisers for supporting the cause, thanks to our contributing authors for sharing their wisdom and experience, thanks to Rick Caro and the Faust RT #1 for all they've done, and very special thanks to the terrific company called Walton Press, in Monroe, Georgia, for the outstanding job they do on The CLUB INSIDER News every month.

A "Vision For the Future"

Today, I want to share my "Vision For the Future" of The CLUB INSIDER News. As we enter our 10th year of publication the timing could not be better, because our printer, Walton Press, will install in May, a new web press which

will allow us to produce up to 64 pages of color each month. Now, with the new press rolling in May, I have set a target, a "Vision" if you will. My "vision" is to increase our monthly publication to 64 pages per month by our 10th Anniversary, November, 2003.

We Need Your Help To Grow!

We need your help to grow! Over the past year, we've published an average of 28 to 32 pages per month. To increase that level of production to 64 pages, I will be adding 16 more educational/editorial pages each month and 16 more advertising pages as well. Here is where you can help out. I want to invite each of you veteran club owners and managers to consider becoming "Contributing Authors" for The CLUB INSIDER News. Stop and think what your greatest passion in this industry is. Consider sharing that passion with our readers by writing and submitting articles for publication.

(See 10 Years Page 4)

Inside The Insider

- *Back to Basics*
- *You Need To Know Your Credit Score*
- *Taking the YMCA's Place*
- *Give You Referrals... Why Should They?*

● Norm's Notes ●

●10 Years and Counting! I just can't tell you how much I have enjoyed the last 9 years as I have brought the latest club industry news to you each month, provided educational articles to help your bottom line and once in a while, jumped up on my soap box to wax eloquently about issues that are important to all of us in the industry. If you didn't read my article on our headline page entitled, "10 Years and Counting," please take the time to read it and consider helping me out with: 1) considering what your "Passion" in the health club industry is and becoming a Contributing Author on that topic and 2) spreading the word to all of your equipment and service providers about our new-low advertising rates for our soon to be expanded to 64 page **CLUB INSIDER** News!

●Congratulations to **COACH ED DUDLEY** and the **Walton High School (GA) Football Raiders** as they have completed a terrific regular season schedule with an 8-2 record putting them in the **State Championship Playoffs**. This is a very special football team and it is not just because my son, **JUSTIN CATES**, is a starting running/blocking back for the Raiders. This team showed what a terrific group they are last Friday night when they played the **#2 Team in the State of Georgia**, the **Harrison Hoyas**, toe-to-toe for 48 minutes! We lost 16-10 in this

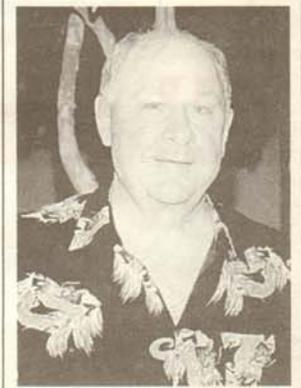
knock-down, drag-out football game played in a miserable cold driving rainstorm. The Raiders fought hard and were tied 3 to 3 with just one minute left in the first half when the Hoyas got a field goal making it 6-3 at the half. We then slugged it out for the remainder of the game, losing only when an on-side kick was covered by a Hoya.. They killed the minute and a half on the clock and that was it. I am very pleased to share with you that even though we lost this tough game, my son, **JUSTIN**, was named this Monday by the **Raider Coaches as the Most Valuable Player** on the Offensive Team. That was the second time this year Justin was named MVP offense. Now, the Raiders move into the State playoffs this Friday night when they play **South Gwinnett High, #9 in the State** in the first round. We were lucky, as we drew a #2 seeding giving us a home field advantage Friday night. I just hope my voice recovers by then so I can help with the noise level! **STAY TUNED** for more Raider news next month! I know, this is not club related, but this is one of my last chances to share news about Justin's football as he is a Senior and this is his Senior year! **LATE BREAKING NEWS!** While writing Norm's Notes yesterday, my deadline day for Nov., I received an email from **BILL PERRY**, our Webmaster, for the team website, informing us that our

good friend, **BOB HALLEN**, passed away suddenly last night. Bob and I and 5 or 6 others have gone to the football practice field every afternoon during spring and fall practices for the past couple of years to watch the team practice. Bob was a great guy and will be sorely missed by all of us. **May Bob Rest In Peace.**

●The **IHRSA/Athletic Business** relationship is now "gone with the wind." IHRSA wrapped up its 14-year relationship with Athletic Business with a very nice 3-day event focused on sales and marketing. I had the pleasure of spending some time with **IHRSA President, GEOFF DYER**, and others during the event. And, pursuant to my conversation with Geoff, let me just go back to my Norm's Note last month and apologize to Geoff for not being clearer in respect to my opinion regarding **KEITH NYGREN'S** comments to me about Geoff's recent writing on club growth in recent CBI Magazine articles. My message was intended to explain how open and receptive Geoff and the entire Board were to Keith's comments, thus giving Keith and his long-time partner and **IHRSA co-founder, TED TORCIVIA** and their partner, **RAY O'CONNOR**, a forum to express their concerns. Let me just say my apologies to Geoffrey right here. Now, let me just restate what I said this way: The International Health, Racquet and Sportsclub Association (IHRSA) is the world's leading and most influential health, racquet and sportsclub association for many reasons. One of the primary reasons is

that the Association has always had strong and excellent leadership by people like **RICK CARO, LARRY KRIEGER, JOE CIRULLI** and **GEOFFREY DYER**, past and present IHRSA Presidents, to just pick a few good examples. These men led the IHRSA Board of Directors in the huge task of moving IHRSA forward in positive ways to "Grow, Protect and Promote" the health club industry worldwide. This challenge is not an easy one and a very important part of that effort has been the leadership's willingness to LISTEN to the their members' concerns when those concerns are expressed. The Association's leadership has been extremely fortunate to have, in my opinion, the world's greatest listener in **JOHN MCCARTHY**, IHRSA's highly esteemed **Executive Director** since the beginning 22 years ago.

●**GEORGE SNYDER**, was the original creator of the **Miss Olympia** contest and the original **Ms. Galaxy** events. In Orlando on November 9th, George produced a new version of the **Ms. Galaxy Contest**. According to George, in the past women's bodybuilding had evolved into a real negative for the fitness industry, given the use of drugs and the very unfeminine look that some women bodybuilders would acquire. The new **Ms. Galaxy** contest was intended to change that forever. Now, the event is targeted to attract beautiful, fit ladies and that it did! Over 90 very fit and beautiful girls from all around the world entered the event. The winner was **JEVA**



Norm Cates, Jr.

ALEXNAITE, of Morton Grove, Ill. Finishing second was **KELLY NEWTON**, of Apopka, Florida and 3rd place was another beauty, **DONNA LOREN**, of Wilmington, Delaware. The truth is, anyone of these three and about 10 others could have won. But, maybe the real winner was 50-year old contestant, **MELODIE JANIS** of West Palm Beach, Fl. She had lost 60 pounds since February, 2002 and was there as a **Ms. Galaxy** Contestant to celebrate. Congrats Melodie! George Snyder commented on the contest, "The event went extremely well and will pave the way for many similar events in the future, providing the fitness industry with female role models that will attract the general public!" Also in attendance in Orlando was our **Cover-guy** from our October issue **BOB DELMONTEQUE**, who served as one of the judges for the event. Check out page # 24 for photos.

(See Norm's Notes Page 5)

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 request.

PUBLISHER AND EDITOR: Norm Cates, Jr.
COMPUTER LAYOUT SPECIALIST: Justin Cates
COMPUTER OPERATIONS/WEBMASTER: Justin Cates
PRINTING AND MAILING SERVICES: Walton Press

Box 681241, Marietta GA 30068-0021 • (770) 850-8506
 Fax (770) 933-9698 Or Email: clubinsidernews@mindspring.com
www.clubinsidernews.com

...10 years

continued from page 3

So, if you are interested, write to me for details at the email address shown below. We also need your help seeking new advertisers for the 16 pages of new advertising each month. So, please let your equipment manufacturers know that our advertising rates are lower now to attract new vendors and suppliers for advertising each month. Our new rates are cost efficient. So, take a moment and call or email the reps that you bought your equipment

from and urge them to place an ad in The **Club Insider** News. They will be glad and happy you made the suggestion because advertising in The **CLUB INSIDER** News will definitely help their business. And, they will be able to advertise with us without busting their budgets! (Please forward my email address to your vendors: clubinsidernews@mindspring.com)

So, it is with great vigor and excitement that this amazing journey called The **CLUB INSIDER** News continues. And, it is with sincere

appreciation and thanks that I say to each of you, "Thanks for coming along with us on our journey."

(Norm Cates, Jr. is the Publisher of The **CLUB INSIDER** News.)

**Make
It
Fun!**

...Norm's Notes

continued from page 4

● **NORM** and **WILL DABISH**, the Founders of the **Powerhouse Gym** chain, held the **Powerhouse Annual Convention** in Orlando at the same time as **IHRSA** and the **Ms. Galaxy** contest. The event drew gym owners from all over the country, as vendors were given a chance to speak to the crowd. The one and only, **THOMAS PLUMMER** spoke to the crowd as well. While attending the **Ms. Galaxy** event, I had the pleasure of sitting next to **MARK PRILL**, the owner of 5 **Powerhouse Gyms** in **Grand Rapids, MI**. Mark, a relative newcomer to the industry with just five years experience, represents what is

really good about the industry. He is a family man and works in his clubs everyday. He came to the **Powerhouse Gym Annual Convention** to learn more and I am sure he accomplished that goal. Mark has a vision for his business and I expect that he will get there one day. Good luck, Mark. And, don't forget to call **Body Training Systems** like we discussed!

● Our cover story this month about **The EAST BANK CLUB** in Chicago tells the tale of a "Vision" come true. Next year, another "Vision" come true cover story will be about the **RDV Sportsplex** in Orlando, Florida. The health club component of this mega-sports-complex is over 100,000 sq.ft and the entire facility is about 360,000 sq.ft. The facility also includes an ice hockey

arena and basketball training facilities and offices for the **Orlando Magic**. Thanks to **KARL DROPPERS** and **MATT CARLEN**, the Vice President and Directors, respectively, for their personal guided tour. The place, just like the **East Bank Club**, is amazing. Also, **Karl** showed me the almost finished new "**Boards and Blades**" at **RDV Sportsplex**, which is an 7,000 sq-ft. indoor rollerblade playground for beginner and intermediate skateboarders and in-line skaters. The new facility features **Woodward Ramps and Rails** and I will predict that this could be an entirely new profit center for big clubs looking to expand their revenue stream. **STAY TUNED** for more next year on the **RDV Sportsplex**.

● Congratulations to **JACK LALANNE** and his lovely wife **ELAINE LALANNE**, as **IHRSA** has named Jack as its **2003 Person of the Year!** Jack, age 88, will be at the **IHRSA Convention** and will accept the **IHRSA award** on Saturday, March 1st. Three years back, I had the pleasure of having interviewing Jack and Elaine for my **Club Insider News** cover story and also had dinner with Jack and Elaine at **Club Industry** in Chicago. By the time I had finished with dinner that night, Jack had me so excited about his own fitness that I resolved to lose 100 pounds and get back in shape. And, I did that. From November 25, 2000 up until May, 2002, I lost **110 pounds** and I owe Jack and Elaine a huge debt of gratitude for their encouragement. Here is a funny story about Jack from that convention. Jack, Elaine and I were walking to the trade show when I said to Jack, "Oh Jack, I forgot to ask in your interview what your next great "**Feat**" is going to be for your 86th birthday? Jack said, "Boy Norm, I'm glad you asked that! I am going to swim from **Catalina Island** to **Newport Beach, California**, 26 miles!" I said, "Wow, Jack! That's awesome." Then what he said next blew me away. He said, "**Underwater!**" At that point the witty and terrific Elaine piped in with, "And, if he does that, I'm gonna divorce him!" Also, congratulations to Jack as he received a "**Hollywood Walk of Fame Star**" on his 88th Birthday back in September!

● **BIG JIM FLANAGAN**, one of our industry's greatest people, informed me at **IHRSA** that **MedX Corporation** has a new CEO. **MICHAEL DETTMERS**, has assumed the helm at **MedX** and you can look for new and innovative things coming from the company now. I can tell you this about **MedX** equipment. It was invented by the legendary **ARTHUR JONES** and it is without a doubt, some of the finest equipment available on the market. Just ask **JOE CIRULLI**, **IHRSA's** 20th President, who has a club full of **MedX** machines. About 3 years ago I was suffering from serious back problems that literally would paralyze me from time to time and if I was standing, would bring me to my knees. So, **Jim Flanagan** set me up for some therapy on the **MedX Lumbar Machine**. And, I swear to the man above that after two 30-minute sessions on that big old **MedX Lumbar machine**, my back problem went away. **ENTIRELY**. The problem had been caused by a rear-end car wreck and I had suffered for years until I got on that machine. Amazing!

● Congratulations to my pal, **TIM RICHARDS**, as he has been named the **2002 Philanthropist of Distinction** by the **Association of Fundraising Professionals** in Massachusetts. Tim was honored because he urged city officials to look into establishing **Boys and Girls Clubs** in **Central Mass**. Tim encouraged others to give to the **Boys and Girls Clubs** by offering free memberships to his **Orchard Hill Athletic Club**. Recently, Tim established a \$1500 scholarship in the name of the **Boys and Girls Club** to be awarded at the **North Central Mass. Scholarship Award Ceremony**. Tim was one of our **Co-founders** of **IHRSA** back in 1980 and has continued to do good things throughout his career. Way to go Tim!

● **The Florida Health Club Association** held its annual meeting in Orlando at the **IHRSA/Athletic Business Conference** and established several new committees in addition to electing a new Board of Directors. The new membership Chairman is **BILL HIGGS**, of **Shula's Athletic Club and Resort** (305) 820-8030m now **JOE CIRULLI**,

now Chairs the **Associate Member Committee**, and **BOB KARSHNER**, now Chairs the **Communication Committee**. This Association is working hard in Florida on the behalf of all of the 500+ health clubs in the state, and it sucks that the **FHCA** has only about 50 member (a meager 10%) clubs paying dues and supporting the cause. The rest of you Florida Club owners need to get with the program and join the **Florida Health Club Association** because it will ultimately mean money in **YOUR** pocket, not to mention professionalizing the health club business in Florida. You can be a member of **FHCA** for the cost of about a one year membership in your club and your **ROI (Return On Investment)** will be many times that! To join, contact **Bill Higgs: (305) 820-8030**. Vendors may contact **Joe Cirulli** at: (352) 377-4955. **Call today!**

● I would like to close this month's first edition of our **10th Year** by reminding you that if it were not for our terrific advertisers present and past, **The CLUB INSIDER News** would not be coming your way. These companies have been terrific in sticking with us through thick and thin over the years and I want to thank them all for that. Let me also say that we sincerely hope that you will call, email or fax inquiries to them to be sure that you know about their product lines. I am very proud of the quality companies that we have as advertisers/sponsors of **The CLUB INSIDER News**. They all are companies that you can rely on to deal fairly with you and to take care of you after the sale. Remember too, that **IHRSA's** 22nd Annual Convention and Trade Show is **February 26th thru March 1st** and you should give an all out effort to be there. Not only will you be exposed to a complete educational curriculum during these four days, you will be able to attend the largest industry trade show in America where you will see all kinds of opportunities to advance the greatness of your club. So, call **IHRSA** at (800) 228-4772 and make plans to be in **San Francisco** for this great event. And, don't forget. Please buy our advertiser's products, goods and services to get your best value and service.

STAY TUNED!

Norm Cates' **THE Club Insider** NEWS

10 YEARS and Counting!
Subscribe Today!
Here Is Why:

- Norm's Notes With Latest Industry News First!
- Great Articles To Help You Improve Your Club's Profit.
- "Tell-It-Like-It-Is" Editorials!

Norm Cates' **THE Club Insider** NEWS

Subscription Form

Name (s): _____

Attach List For Additional Subscriptions

Club Name: _____

Address: _____

City, State, Zip: _____

Telephone: _____

\$99 (U.S.) - 18 Issues (Includes Canada)

\$79 (U.S.) - 12 Issues (Includes Canada)

\$199 (U.S.) - International (One Year)

Check Enclosed or Charge To:

MC Visa AMEX Discover

Card # _____ Exp. _____

P.O. Box 681241, Marietta, GA 30068-0021 or Fax: 770/933-9698
Call 770/850-8506 or E-Mail: clubinsidernews@mindspring.com

Founder's Philosophy:

One-On-One With Daniel E. Levin

By: Stephen Wallenfels

(Editors Note: This interview with East Bank Club Co-Founder, Daniel Levin, has been reprinted from the December, 2000 edition of CBI Magazine courtesy of IHRSA and CBI Magazine.)

Daniel E. Levin is the managing partner at the East Bank Club. A lawyer by profession, he's also well-known in the Chicago area for his real-estate-development firm, the Habitat Company, which specializes in the construction of multi-family housing. Prior to building East Bank, his experience with clubs was confined to the small facilities he included in some of his apartment buildings. Levin is 70 years old, has piercing blue eyes, and his primary hobby, he says, is "running this club—which takes about as much time as I allow it to."

Club Business International: Now that East Bank is celebrating its twentieth birthday, what stands out in your mind as being its most significant achievement?

Dan Levin: Our principal achievement has been to fulfill and maintain, and, in some sense, to improve upon, what we set out to accomplish 20 years ago. We wanted to create a facility where people could recreate and socialize in a gracious invigorating environ-

ment. Our hope was that the club would become a place that was meaningful in people's lives, and that we'd be able to set the highest possible standard in terms of the facility, personnel, equipment, amenities, programs and services. I think that we've achieved that standard.

CBI: In the course of a club's evolution, owners are often faced with a decision that can literally change a club's destiny. Have you ever been in that position?

DL: I don't know if I'd call it destiny, but, at one point we had to decide whether or not to make a major capital investment—about \$15 million—in order to accommodate our members' wide-ranging needs. Among the items on our list of improvements: We decided to enclose a big portion of the roof. We decided to eliminate a number of tennis courts to provide more locker rooms and a larger grill. We decided to upgrade the quality of service, particularly for women. When we first opened, women comprised 35% of our membership, but now, they're at about 50%. We added a five-chair salon that's busy seven days a week, and a spa area that now does more than \$1 million a year. We also decided to deal directly with all of the young children that were coming into the club. For example, our outdoor pool was so dominated by youngsters during the summer that the

adults didn't want to use it—that conflicted with our basic philosophy, which is to provide an atmosphere that caters to adults. So, at considerable expense, we built a superb, adults-only outdoor pool on the roof.

CBI: Has East Bank changed philosophically over the last 20 years?

DL: No, we haven't changed at all. One example, which clearly reflects how we decided to run the club, is our towel policy. I've visited many clubs where you have to turn in your wallet, or some cash, to get a towel or two. Our policy, since day one, has been, take as many towels as you like and, please, turn in the same number when you leave. The goal is to give members the feeling that they're being indulged. Another example is our pricing. Our philosophy is to be on the low end of reasonable. Our fees for manicures, personal training, tennis time, etc., are a little bit lower than those charged by the competition. We don't want our dues-paying members to feel that we're taking advantage of them with excessive add-on charges.

CBI: Twenty years obviously provides quite a perspective—how do you think the industry has changed, and how has East Bank responded to those changes?

DL: The industry has become much more important—in terms

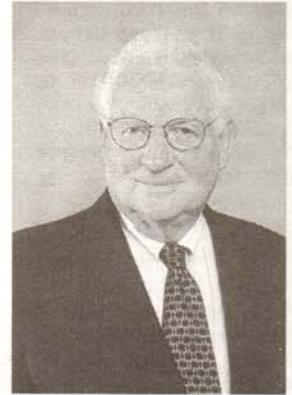
of its size, credibility, and contributions—than it was when we started out. Just look at the numbers of clubs in IHRSA and the millions of people who are involved as members today. When we built East Bank, it was very, very difficult to obtain financing. Now, financial institutions not only accept our industry, but many of them are convinced that it's time has arrived. The general population has become much more aware of the value of being in shape—not just physically, but emotionally as well. As the industry has evolved, we've innovated non-stop to keep pace: When we first opened, there was no such thing as personal training; now we do over 1,000 sessions per week. We expanded our food service; we now serve 1,500 meals a day. We added spa facilities. We work very hard at keeping everything up-to-date and up-to-standard. We spend \$2 million a year improving our facility. In fact, people sometimes say that East Bank looks newer now than when it opened—not many clubs can say that.

CBI: If you could change one thing about East Bank—what would it be?

DL: I'd cut our expenses.

CBI: And what is it about East Bank that you hope will never change?

DL: The character of the club that we've created in this



Daniel Levin

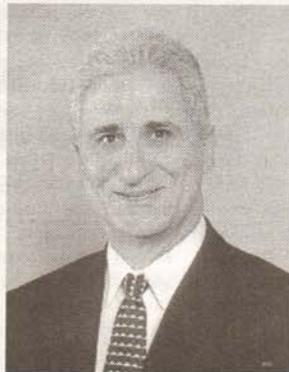
community—I hope that never changes. You know, when we opened, I had two small fantasies that, I thought, expressed a great deal. One was that, someday, there would be a taxi stand in front of the club—that would mean that the drivers expected enough business so that it made sense for them to wait there. And, second, I hoped that, someday, I could get into a taxi anywhere in Chicago and say, 'Take me to East Bank,' and never have to provide an address or directions. Well, both of my fantasies have been a reality for many years.

(Reprinted from the December 2000 edition of Club Business International magazine. Permission granted by the International Health, Racquet & Sportsclub Association.)

East Bank Club Executive Management Team



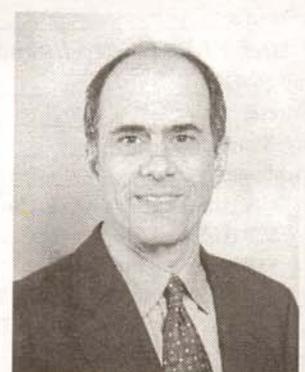
Simon Meredith



Joe Rossie



Michael Romano



Peter Demas

Over 3000 People Attended Our Seminars Last Year...*

Thomas Plummer and his great staff kept me interested in all the material...He opened my eyes to the profit centers. **Melissa Crowley, Coilroy Health & Fitness** I am truly amazed at the potential I never knew my club had! Wow! **Dawn Brantley, Curves for Women** When you are ready to challenge yourself and your facility to be the best it can be attend a Thomas Plummer seminar. **Craig Bach, Genesis Fitness Centre** Our \$/workout has quadrupled in 3 months. **Brian Riley, SLO Athletic Club** You will leave a Plummer seminar with more new profit making ideas than you could ever implement before attending another one of his seminars! **Corey Smallwood, Pro Fitness Health & Exercise Clubs** If you want to make money, Thom has the tools to do it. By implementing what I have learned, I fully expect to double my revenue. **Helen Brauchle, Curves for Women** The seminar was fun, energetic, and exciting as well as educational. **Nicole Hughes, Athens Rec Center** Seminars like this keep you fresh and a constant finger on the pulse of the industry. **Debi Barton, World Gym of Orange** This course is a must for any club that wants to succeed in the marketplace. **D. Bramer, Total Health & Fitness** It is a fun, once in a lifetime experience that will blow your mind with information. **Andy Lindamood, Start-Up** Thom has taught us how to survive the competition and win in doing so. **Mike Katz, Sr.** Thank you for your sincere interest in me, my company - and therefore my life. Thanks for cutting through the crap and giving it to us straight. **Todd Levine, Gold's Gym Rochester** No matter how long you've been in the business or how many seminars you've been to, you can always learn something new and helpful from Thom's seminars. **Vicki Carpenter, Ultimate Fitness** I have been coming to hear Thom for almost 5 years. Each time I am always refocused and ready to take my business to the next level. **Brian Huxford, Huxford's Training Zone** I've been to a number of excellent seminars...Nothing I've attended was as good as these last two days! That was probably the best money I've ever spent on education. **Michele Beller, In Touch Physical Therapy and Fitness Center** Everything you need to know and everyone you need to know is right here with this company. **Jessica A Falgout, Total Woman**

It's All About Making You More Money A N Y Q U E S T I O N S ?



November 14-16	Boston, MA
December 4-5	New Orleans, LA
January 2003 TBA	Southern CA
February 5-6, 2003	Charlotte, NC
March 2003 TBA	Washington, DC
April 9-10, 2003	Austin, TX

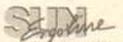
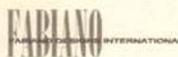
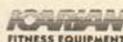
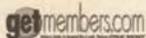
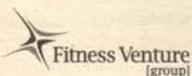
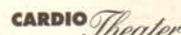
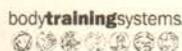
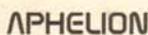
THOMAS PLUMMER.
COMPANY

CALL TODAY . seating is limited

800.726.3506

www.thomasplummer.com

Alliance Partners:



...East Bank Club

continued from page 3

Imagine a club that is far bigger and better than any club anywhere that you have ever seen. That is the picture. That is East Bank Club in Chicago. World Class. Simply #1.

The Executive Management Team

Simon Meredith has been with East Bank Club since the beginning and now serves as the General Manager. Simon reports to Daniel Levin, Managing General Partner, and leads an Executive Management Team consisting of Joe Rossie, Senior Manager, (17 years), Michael Romano Food and Beverage (16 years), Peter Demas Director of Building Facilities (22 years), and Dale McCarrell (CFO-6 mos.) These six men oversee a team of 57 Department Managers, who in turn manage over 600 employees at EBC. This member-focused management team has accomplished the Founders goal: and has reached and exceeded the standard established by Daniel Levin: "To create a facility where people could recreate and socialize in a gracious invigorating environment. Our hope was that the club would become a place that was meaningful in people's lives, and that we would be able to set the highest possible standard in terms of the facility, personnel, equipment, amenities program and services." Amen.

An Interview With Simon Meredith- General Manager

We are pleased to report the comments of East Bank Club General Manager, Simon Meredith, as East Bank Club approaches its 22nd Anniversary.

Q. Simon, I am aware that you've been with East Bank Club since it first opened. What was your business experience prior to joining the club?

A. I grew up in a hotel. My parents ran a seaside hotel in England. It was a very similar sort of hospitality concept. We would have repeat guests over the years. I grew up in that environment and then I went off to law school and played tennis. I was Captain of the 1974 English University Tennis Team. I came over to the states

after graduation and ended up in 1976 in Chicago as the Head Tennis Pro of a couple of clubs that offered tennis and racquetball. Those were during the days when clubs were contemplating the conversion of tennis and racquetball space to multi-purpose club uses.

Q. Simon, when the decisions were being made to go forward with the development and building of East Bank Club, was the club considered very risky at the time?

A. Well, I think any new business is risky. Now, our industry is considered less risky as financial institutions have some track record to follow. But, in those days, certainly on the 'riskier' side of that continuum was the way it was viewed.

Q. Who were the architects on the project?

A. Gordon-Levin and Associates.

Q. Who are some of your most high-profile East Bank Club members Simon?

A. Oprah Winfrey and Michael Jordan are both members of the club. I especially enjoy having Billy Jean King as a member. She has offices a couple of blocks away. Of course, she was a legend when I was a kid growing up watching Wimbledon on BBC. Jim Baugh, Wilson Sporting Goods' CEO, is also a member. As an avid tennis fan, I often think what a lucky guy I am to be in such an environment. It is fun to be in this kind of business. It is a very stimulating, vibrant community that we are involved in. Every day is fun. Some days are more fun than others, of course!

Q. I've visited East Bank Club 3 or 4 times over the past 20 years and you have a "feel", an atmosphere of warmth, energy and coziness, that is clearly in the air. It is hard to describe, but that "feel" is definitely there in your giant club. Your members and your employees seem happy and very relaxed. Can you describe your management philosophy at EBC for us?

A. That's a good thing. I'm not sure we can 'bottle' it necessarily. And, I do worry about people trying to build multiples of this type of business; whether they can duplicate what they see at East Bank Club or what they envision. It is a very people-driven business. Our

enthusiasm has never diminished over the years. We've always had a sense of urgency and we've also had a sense that we want to do things in the best possible way. We're here 365 days a year. For example this month we will host a huge Thanksgiving Dinner for 800 or 900 people. The holidays are a good time because it really reinforces the commitment of the club and the commitment of our members to our community here. For example, I have in my hands a nicely done little flyer for a Holiday gift-giving program that we're distributing. It reads: "This Holiday Season help provide children with presents they otherwise might not receive. Stop by the office and receive the 'wish list' of the child and purchase two new gifts." So, it's fun to be in this kind of community and it is good that we are in a position to give back to the broader community.

Q. Simon, does East Bank Club have a written "Mission Statement"?

A. "East Bank Club is devoted to being an elegant city club with complete facilities for sports, fitness, dining and socializing in a congenial and gracious setting."

Club Insider- That's great. You hit the mark with that Mission Statement!

Simon Meredith- Devotion, I think, is a good word. We have that sense of urgency and we work hard at what we are doing. We try to take a lesson from your friend, Dr. Gerry Faust, with his ideas about the life cycle of business. We try to avoid just becoming complacent and thinking, 'Well, we know how to do this.' Someone said it is an atmosphere of benign paranoia that somehow you're not going to know how to do it, so each day you come in and think, 'Anything can go wrong at any moment.' I came in today and three employees had arrived late for work. Well, that has a ripple effect for the customer and I would not want to have too many days that started off like that. And, I would want to make sure that we had a game plan in mind to minimize the effect. People are going to oversleep, they are going to wake up and not feel well, buses are going to get stuck in the snow, etc. But, how can we manage to minimize the effect of that on the customer. A member said to me the other

day, 'You really make it look easy.' I took it as a compliment, but I said, 'I can assure you, it is not that easy. We have a lot of people working very hard. We're open from 5 am until 11 pm at night. Then we have a cleaning crew come in at night. People are working around the clock. It's good that it looks 'easy' to a member.

Q. Simon, has East Bank Club received any awards for excellence?

A. I think the best honor and accolade that we can get is the day in and day out respect that we get from our members in that they want to come visit and they are happy to write a check every month to reaffirm what we are doing here. Accolades? I think it's a false indicator. Its nice for somebody to say 'you're the best club in the city, in the state, in the country., but I'm a little leery of all that because one might become complacent. And, I know from having done this business for all these years that you've got to pay attention. It can easily go away. I've seen it in other clubs where they have not stayed fresh, they have not stayed on top of their game. I know how hard it is to build it up. Some clubs I think there is hype, where they are telling everybody what they're going to do. There is a tendency by some to over-promote and under-deliver.

Q. Let's talk about the competition. EBC has been here 22 years. There is intense new competition. Do you do anything different here to address that?

A. Well, we've been here for 22 years. We're proud of the quality of the experience and that we have long-term members that are invested in our community. And, we're proud that we have a multifaceted facility. Our oldest member, Sam Branson, is 101 years old. He's been a member since we opened. He used to play handball and all of his partners faded away. So, he moved on to racquetball. Now, he swims several mornings a week. We have over 1,000 members who are over 60 years of age. And yet, we have lots of young people who've started their families and are now living in the city. We have lots of youngsters, which isn't the easiest thing to pull off in a city club. There are several local clubs opening up where no kids

under 18 are allowed. That makes it easier in some respects to run the facility. But, we want to do it all, with Sam Branson at 101 all the way down to the newborns.

Club Insider- So, I guess the answer is that you are just keeping on doing what you are doing because that will withstand the competition, right?

Simon- I guess that is fair to say.

Q. What are the EBC membership rates?

A. For singles it is \$500 Initiation Fee and \$145 per month. For families it is \$800 Initiation Fee and \$255 per month.

Q. How many membership(s) do you have at EBC?

A. We have 10,000 membership accounts which translates into maybe 14,000-15,000 when you include family members.

Q. What will the gross revenues for 2002 be?

A. We expect the end of year total to be \$46 million.

Q. What would you estimate the full-club capacity at prime-time to be?

A. We can accommodate about 1200 people in the various exercise and sports areas at one moment in time plus maybe another 300 or so in the locker rooms, spa, deli, and other service areas. So, I would estimate our prime-time capacity to be in the neighborhood of 1500 to 1600.

Q. Simon, I am aware of several club renovations and remodeling projects where you've spent over \$44 million. What have you done in the last 5 years to change and improve the club?

A. Since you were last here Norm, we've put together this new fitness floor which is the size of about three indoor tennis courts or around 22,000 square-feet. The fitness utilization has just been growing and growing. We're not fond of having our members wait for equipment or not have enough choices. Being the price leader in the marketplace, we attract a busy crowd that doesn't like to spend their time waiting. This new expansion has over 400 pieces of cardiovascular and strength equipment.

Q. Simon, tell me about your
(See East Bank Club Page 10)



Your Partner in Success.

EFT
Electronic Draft

25¢

PER PAYMENT

Mastercard/Visa
Electronic Debits

45¢

PER PAYMENT

"Mail-In" Payments
from Coupons

\$200

PER PAYMENT

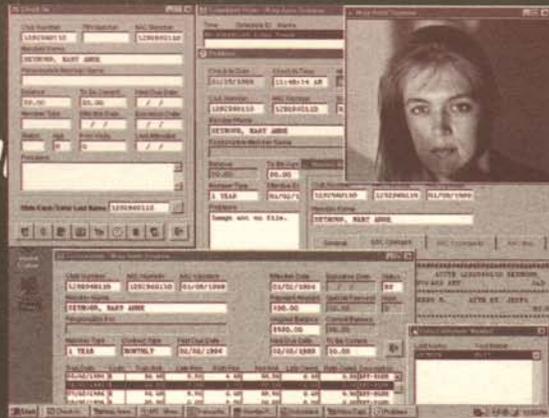
FrontDesk®

INTERACTIVE SOFTWARE

The management system with **ALL** the options!

Complete Control!

- ✓ Real-time Management Software
- ✓ True Flat-Rate Billing
- ✓ Full Collection Services
- ✓ Flexible Renewal Programs



Call **BUSINESS DEVELOPMENT** Today!

1-800-233-8483

...East Bank Club

continued from page 8

staff training process at the EBC?

A. We used to say "We're going to be like the Ritz Carlton of the health club industry." Recently, we made a decision to upgrade our commitment to training and development. So, we hired an expert in that business. With over 600 employees and a large food and beverage business, training our people to provide unparalleled service is absolutely key to our business. We can't be sloppy about it. We have to do it in an organized, coordinated fashion. And, it is hard to do with managers who must be dealing with the minute-to-minute activities in the club. So, the Director of Training and Development is able to step back from day to day operations and ask the question: "where do we really want to be at the end of this year?" We want our people to be better. How are we going to get there? So, he's really gone outside our industry, although he uses a lot of materials that are available to clubs, and he's tried to bring all that in house so they may become better at what they do. We have a diverse mix of employees, over 600, really representing the diversity of the city of Chicago. I'm proud of the fact that we have 200 employees with over 5 years of service and we have an annual awards banquet for those employees where they get to bring their significant other or spouse. That is always a terrific evening.

Q. What is your Director of Training and Development's name?

A. Kevin Cummings. He's been with us a couple of years.

Q. Do you have a Human Resources Director?

A. Yes, we do. His name is Kevin Brooks. He is currently in the United Kingdom recruiting.

Q. Simon, tell me about some of your special areas and services in the club like your dry cleaners or taxi stand?

A. Well, most clubs don't need a taxi stand. We're downtown in a densely populated city. As far as areas of the club that we think are truly special, we have a full-service salon, as well as a full spa in the women's locker room. We have an extensive

food and beverage operation, with a casual grill, a more upscale restaurant, a gourmet deli, a juice bar and full catering facilities. And we have the Sun Deck Café, a grill on our Sun Deck where members can get a sandwich to enjoy while they lay out on the deck. Outside of amenities and dining, the club also has a number of different, or special, options for sports and fitness. We have a platform tennis court on the sun deck, an indoor golf driving range, and a 1/4 mile indoor track.

Club Insider- So, Oprah is a member? Please tell Oprah that you were talking to a guy that lost 110 pounds and that he is writing a book about his lifelong battle with his weight entitled: "Leaving Fat City."

Simon- You'd be a good guest on Oprah's show Norm. Actually, I haven't seen you since you lost all that weight Norm! You've got to be feeling really good and good for you!

Cates- I am and thanks!

Q. Can you give me some other examples of club events that you have at the club like your Thanksgiving Dinner?

A. Just last week, we had a wine tasting event here with Sam's Wine and Liquors. Sam's is the largest wine and liquor store in the country with over \$40 million in sales. We had over 500 in attendance! It was just a lot of fun. We've done fashion shows with merchants in town. One of our former employees, Andre Kelley, was an aspiring comedian when he was here, so he has come back a few times and done a Comedy Night here. The members really enjoyed it. We try to get members involved in activities other than getting on treadmills. We use subtle ways to get people involved in the club and even if they were not a workout fiend, we want to get them involved and be inclusive with people that are not necessarily hard core exercisers. It is a big thrill when we can get it accomplished.

Q. Has the East Bank Club been a member of IHRSA since the beginning?

A. I am not sure. But, in the early 80's, when we became aware that belonging to the Association was a good thing, we were learning along with everybody else at IHRSA. I think IHRSA provides a perspective. By that I mean, we

are running one just facility and we are not traveling all over trying to figure out how to build every type of health club. So, I think if I had to summarize it into one concept, I would say IHRSA gives us perspective: what works, what doesn't work. So having that broader knowledge of the industry I think has been helpful. We're only as smart as we can be Norm. We're only one facility, so having the benefit of a lot of smart people in this industry that we get from IHRSA membership is good.

Q. Have you ever attended the IHRSA Institute?

A. Yes, I did. The IHRSA Institute was held early on in Ann Arbor, Michigan one year and I attended that year.

Q. Simon, your food and beverage operation is managed and operated by Michael Romano. It is mind boggling that you do \$7.5 million in food and beverage here at your club! Tell me about that.

A. Most club owners say, I can't do that. Why are they writing about that? To me, it really goes to the social side of a club. I grew up across the street from the local tennis club. We had three outdoor courts and a little wooden club house. My father was a keen tennis player. And, we were keen Junior tennis players. That little club was a place to go where members would socialize. You had to play tennis with anybody that was there, you could get signed up with anybody and everybody. There was a total mix of people. It was for a recreational experience. It did provide a very social environment. But, the point of the story is that clubs can provide a better social environment and experience in their clubs. They don't need a \$7.5 million food and budget operation to do it. They need to just find the right niche. A keg of beer. Get some sandwiches in. Have the members break bread with one another.

Q. So, basically what you are saying and sharing here is, "Hey, think about how to make your fitness center a real club?"

A. How do you make it a community? That is one of the lessons you can learn from other types of clubs, city or country clubs. That is how to expand the concept to make it a part of their lives. People don't tend to quit those types of clubs.

East Bank Club Amenities

1st Level

Member Services Office, Restaurant and Bar, Pro Shop, Catering facilities, Food Shop (gourmet deli), ATM, Salon (full-service Salon), Reservation Desk, Children's Activity Center (daycare facility), Free Weight Room, Selectorized Room, Cardiovascular Room (approx. 25,000 square feet; more than 400 pieces of equipment), Tennis courts (five), Squash Court, Racquetball courts (four), Spinning studio (60 bikes), Multi-purpose fitness studio (with balance boards, Swiss balls, medicine balls, resist-a-bands, stretch table). Adult pool (5 lanes, 25 yards, indoor)

2nd Level:

Men's and Women's Locker Rooms, The Spa (full-service spa in the Women's Locker Room), Atrium Lounge, Grill (with a bar, a takeout area, and a juice bar), River Rooms (two rooms for meetings and one lounge)

3rd Level:

1/4-mile track, Exercise studios (two)

4th Level:

Indoor: Pool and Whirlpool, Exercise studio, Gymnasium (two regulation-size courts), Golf Center (driving range with putting green and sand trap), Tennis Courts (three), Cardiovascular area, AthletiCo Physical Therapy

Outdoor: Sun Deck, Children's Outdoor Pool, Adult Outdoor Pool (4 lanes, 25 yards), Sun Deck Café (drinks, sandwiches, barbeque grill), Platform tennis court

Underground: Parking Garage, Car Wash, Dry Cleaning

Q. Simon, what would you say your biggest challenges at EBC are?

A. It is the day-to-day running of the business that we focus on. I don't look so far ahead except to plan things. We have 57 managers, plus the executive managers plus all those members. So, what we need to improve upon is a constant discussion amongst all those people; it's constantly evolving. Some things bubble to the surface with more importance than others and it becomes apparent that this is the direction that we need to take. That's the way its been for 22 years. We haven't made too many mistakes in those 22 years. And, we have a lot of people that work hard in getting us going in all these different directions. It is a very exciting time!

(Norm Cates, Jr. is the Publisher of The CLUB INSIDER News. Cates is a 29-year

club business veteran. He was the 1st President and a Co-founder of IHRSA in 1980. In March, 2001, Cates was awarded IHRSA's highest honor, the DALE DIBBLE Distinguished Service Award. Cates may be reached at: email: clubinsidernews@mindspring.com or by phone: (770) 850-8506.)

Make It Fun!

When you've decided 5% is no longer good enough, there's...

ActivTrax.

"ActivTrax makes personal attention affordable and accessible to every health club member."

Frank Guengerich, Executive Vice President, WTS International

"I started using ActivTrax myself and realized it's a low-cost, practical solution to a problem that the industry has faced for years. It's a real breakthrough."

Mitch Wald, Former President of IHRSA & ActivTrax Member

"ActivTrax is great to get members involved in a program and maintain the variety in their exercise routines. We feel it is really going to assist us in retention."

Bill McBride, Senior Vice President of Sales and Business Development, Sport & Health Clubs

I believe that the ActivTrax program addresses the need of the general fitness club member in a safe and well thought out manner."

Tony Verde, PhD, Chair, Department of Sports Science, Cabrini College

"The program is great for those members who are tired of doing the same old routine every time they come to the club. The variety and direction provided by the ActivTrax program will help them achieve a whole new level of fitness."

Joel Schlossberg, Director, Wellness Division, LifeBridge Health

"It's a fact that clubs know how to get members through their front door. The real problem is keeping them from "exiting" through the back door. ActivTrax helps clubs "connect" with their membership before it's too late."

Bob Esquerre, International Fitness Consultant, MA, MES, NSCA-CPT



Let us be a part of your plan to reach the other **95%**.

On average, **5%** of club members use the supervision and guidance of a personal trainer.

As the **5%** progress toward fitness success, the other **95%** are left wandering on their own and at high risk for dropout.

We all know that personal attention goes a long way in keeping your members **AND** generating revenues.

ActivTrax delivers personalized fitness attention to the other **95%** every time they come into your club. Each visit greets them with a totally new workout, one customized to their individual abilities and the equipment available in your club.

What are you waiting for? Call today to learn how to turn your **95%** into highly profitable and long-term members.

ActivTrax
WE'VE GOT PLANS FOR YOUR BODY

www.activtrax.com

301.840.0040 x101 info@activtrax.com

(c) 2002, ActivTrax, LLC, All Rights Reserved.

Back to Basics

Two Powerful Tools to Revive an Anemic Personal Training Program in Your Facility

By: Karen D. Woodard

If the Personal Training program (PT) at your facility is not performing at its potential, there are several reasons why – all of which are easy to correct. The following tools will help you pump up your program to create the “indispensable three” – increased member retention, increased staff retention and increased income to both the Trainer and the facility. The following is an excerpt from Karen’s book “5 Weeks to Personal Training Success”.

Member Orientations are an interesting animal. Most facilities make the mistake of offering too many orientations that are really quasi PT sessions. If you want to develop a strong, revenue producing PT department, this is a mistake. If your goal is to provide complimentary service to every member and not have a PT program, then continue with this practice. It is entirely a philosophical decision. My recommendation to you is that the facility should offer one complimentary Member Orientation to every new member. This is **not** to be presented as a “PT session” or

that a trainer will develop a program for the member at this time. Often times, well meaning Membership Sales Representatives (MRs) commit this error to create value to make the initial membership sale easier. Most MRs do this without thought to how damaging this is to the PT program. The reason this is damaging is that the MR sells an Orientation as a PT session. The Member now thinks they are getting a PT session. When they arrive for their “Orientation”, the PT thinks just that – an Orientation. The Member, however, is expecting more and the PT is put in an awkward position and ends up giving a bit of an Orientation and a bit of a PT session, which is not good. The Member ends up being less than impressed with their “PT” session and thinks one of two things: 1. “Why would I want to pay for that” or 2. they get so much information for free that they think “I can do this on my own now”.

An Orientation is a standard 45 to 60 minute session that will introduce the Member to the equipment and cover such things as equipment operation, seat adjustment, weight selection and basic stretching. The Orientation protocol will **always** be the same and always include the same pieces of equipment. There should be no deviation from this. Deviation will negatively impact the PT program. Orientations are a terrific opportunity for the trainer to create a relationship and to market personal training services. Outside of floor time, clinics, the Funnel System at membership point of sale and other lead generating tools discussed in the sales section of the manual, this will be the greatest opportunity for the PT to sell training.

The Funnel System to Create a Strong Personal Training Program

Successful training programs start at the point of sale with a new member. What typically happens in most clubs that do not have a strong PT program is the MR ever so

briefly mentions PT on the tour with the prospective member. Additionally, the member is told about 2 – 3 “personal training” sessions that are really Orientation sessions. The member thinks he is getting 2 – 3 PT sessions and is disappointed when he got an Orientation. (Remember the previous section?) Therefore, the member does not see the value in PT. Additionally, the member may ask for more of a personalized program and the trainer does not know how to handle the request. Therefore, he gives too much away in the orientation. Why does the Member need to purchase PT if we are giving it away?

The Funnel System, if done well by the MRs is a terrific tool to get up to 50% of the new Members involved in PT.

The Funnel System works in the following way:

1. The MR offers a “Personal Training Starter Kit” at point of membership sale. The MR has a goal of starter kits to sell every month and receives \$5 - \$15 for every kit sold. The remuneration comes out of the cost of the kit, not additional payroll dollars. A strong note with this: the MRs must buy into this system and present it on every tour and at the close of every membership sale. Otherwise, this will not work as well as it can.

2. The Starter Kit is a PT package that is only offered at the time of joining. It is a package of three sessions, which is not offered in the normal package program. The three-session package is also at a reduced rate compared to regular sessions. By offering a small time commitment in number of sessions and small commitment in terms of dollars, it makes the initial sale that much easier.

3. On the membership tour, the MR creates differentiation between the Orientation and PT sessions. This should be done in a very positive way that creates value for both and explains the benefits for both the Orientation and PT but creates a strong results focus with a PT program. After the tour and at the time of joining the MR would say the



Karen Woodard

following to the new Member: “Susan, as we discussed on the tour of the facility, we have a terrific PT department. One of the elements we pride ourselves on here at _____ is that our Members get results. That is in part to our PT program. As a new Member, we would like to offer you a PT Starter Kit which is three sessions of training for only \$ _____. The benefit to the starter kit is that you get started from the very beginning of your membership with a results focus and don’t waste time wandering. It is also only three sessions at an introductory rate rather than the minimum of six that we require. Now the Starter Kit is only offered at joining time. Would you like to go ahead and just add that on to your joining fee today?”

4. If the new member decides to go with the starter kit, the MR will have the member complete a Fitness Profile and Lifestyle Form. These forms are given to the PD by the MR.

5. The PD will then match the new member with a PT, give the forms and information to that trainer and the trainer will contact the new Member within 48 hours of joining to schedule the first session.

6. The trainer and the new member meet, have their three sessions and the trainer has the opportunity to create the relationship and sell additional sessions to the new Member.

The Funnel System, if done well, can be a phenomenal boost to any PT program. Most (See Karen Woodard Page 26)



SPRINGFIELD CORPORATION

WHOLESALE DISTRIBUTOR OF INSTITUTIONAL LINEN

Imported & Domestic Textile Products

Take the guess work out of your

**Towel Purchasing
Satisfaction Guaranteed**

**QUALITY PRODUCTS
at
COMPETITIVE PRICES**



**Commercial Products
Authorized Distributor**

CALL 1-800-241-2081

ASK FOR OUR CURRENT PRODUCT LIST

**HEALTH AND ATHLETIC CLUBS
The Supplies You Needed Yesterday!**

HRSA

ASSOCIATE MEMBER

**P. O. Box 620189 • Atlanta, GA 30362
770/729-0700 • 800/241-2081 • FAX 770/729-0995**

MAXICAM

Crossover / Jungle Gyms



2094-8



2094-6



2094-4

Available in 10 different variations

Muscle Dynamics

20100 Hamilton Ave., Torrance, CA 90502
310/323-9055 • 800/544-2944 • FAX 310/323-7608
www.muscledynamics.com

YOU NEED TO KNOW YOUR CREDIT SCORE

By: *Cindy Watson*

Why do you need to know your score? Because the lower your score, the higher risk you are to a lender and the less likely you are to get the best rates on loans or if you can be approved at all. Checking your score with Equifax or another credit bureau before you apply for a loan can save you money if you catch a mistake and correct it. For

example, when you are buying a house, the difference between a good score and a bad score "can translate into well over \$100,000.00 over the life of a mortgage," says Dan Pace Executive Vice President of First Financial.

Most lenders use a scoring system known as FICO, developed by Fair, Isaac and Company. Several factors go into your score, including outstanding debt, late payments, bankruptcies, how many years you have had credit and the

number of new credit applications you have made. Most consumers' FICO scores fall between 300 and 850. Forty percent score above 700; 37% score between 600 and 699 And 33% score between 500 and 599. The way lenders view scores varies from one institution to the next. But generally speaking, this is a guide to how your score would be received from a conservative bank. There are Stellar lenders, A. credit lenders, B. credit lenders, Hard Moneylenders.

700 and above EXCELLENT STELLAR You will get the best rates and you can walk into any bank!

650-699 A CREDIT GOOD Lenders will be favorable, but make moves to improve your score. You are almost there.

649-610 B CREDIT SLIGHTLY BELOW. The lower the score in this range, the more collateral lenders will require and the higher rate you may get.

609-575 C CREDIT BAD CREDIT You will have to put more down and pay higher interest rates than most borrowers. If you score 590, for example, and want to buy a car,

any loan you get will carry a very high interest rate. If the average rate on a 5-year car loan is 8% at the time you apply, you may get a loan for 14% percent. YOU WILL NOT QUALIFY FOR AN UNSECURED LOAN.

BELOW 580 HARD MONEY People who fall in this category will be subject to high-risk rates. If they are even accepted by a lender. If by chance you are accepted the rate will be extremely high.

Moves to make a mediocre credit score or even a bad one doesn't have to be permanent. You can take steps to improve it. The first step is to make sure that your credit report is accurate. Your score is only as good as the information in your report, which simply lists your history of paying off loans and bills. The three major credit bureau's (EQUIFAX, EXPERIAN, AND TRANS-UNION) Do not always have the same information, so order a report from each agency or get a report for \$49.95 from First Financial. This fee also includes an educational manual on credit advocate.

The second step is to use the information to improve



Cindy Watson

your score. Your Equifax-FICO score report includes the top reasons your score is not higher listed in order of importance. You may find out the biggest reason is that the outstanding balances on your credit cards are too high. You will know to start paying those balances. Indeed, just about any score will improve if you pay off existing balances and make credit payments on time. Please call Cindy Watson at First Financial (800-956-7313) With any questions.

**JLR Associates announces
the placement of**

**DEBI GATTEN
Athletic Director**

Cherry Creek Athletic Club

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

**For all your employment needs,
contact JLR Associates!**

Jeff Randall Priscilla Bengtson
781-731-0868 866-224-2222
jr@jlrassoc.com pb@jlrassoc.com

www.jlrassoc.com



The Club Insider News Contributing Author Team

The 2002 CLUB INSIDER News 2002 Contributing Author Team is listed below. Our thanks to all of our authors for sharing their expertise and taking the time to write for The Club Insider News.

•Karen D. Woodard -President-Premium Performance Training- (303) 417-0653

•Dr. Gerry Faust- Founder and President- Faust Management Corp.- (858) 536-7970

•Michael Scott Scudder - President - Fitness focus- (505) 751-4236

•Casey Conrad - Communications Consultants- (800) 725-6147

•Rick Caro- Chairman, spectrum Clubs Inc. and President, Management Vision, Inc- (212) 987-4300

•Bonnie Patrick Mattalian - Fitness Company - (732) 548-0970, Ext. 111

•Hervey Lavoie - President Ohlson Lavoie Intl. (303) 294-9244

•Joy Karley, M.A. - Executive V.P.- Xercise Corp. (212) 997-5550

•Nancy Friedman - President - Telephone Dr. (314)291-1012

•Joe Moore -President - Moore's Fitness Centers - (937) 435-0072

•Colin Milner -V.P. Sales/ Marketing - Founder & CEO International Council on Active Aging (866) 335-9777

•Pat Necerato President - www.successercise.com

•Rudy Fabiano - President and Design Director - Fabiano international (973) 746-5100

•Carrie Morrow - Legal/Fitness Consultant - carriemorrow@aol.com

•Tom Lincir - President - Ivanko Barbell Company - (310) 514-1155

•John Brown -President - Professional Club Management - (913) 557-9018

•Arman Eckelbarger President - Company Wellness Plans, Inc. - (727) 372-3882

•Mike Campetelle - (860) 487-5905

•Jennifer Lynn - Natural Spa Resources Consulting JenniferLyn@msn.com or (478) 405-2231

Paul Goldner - President - Red Hot Sales - (914) 282-4682 or email: paul@redhot.sales.com



attract
 the **deconditioned**
market
 with an appealing message, the right
 environment and non-intimidating exercise.'



Fit Express is a unique fitness system designed to remove the common barriers associated with conventional exercise. Now you can attract the huge population of people who think exercise is not for them.

The Fit Express system was developed specifically for seniors, women, weight loss, beginners and people on the go. This 'Club in a Club' concept provides the best place to start and maintain this untapped market. It's also a great way to differentiate your club and provide a much needed community service.

- Accommodates different fitness levels · Reveals benefits in only 30 minutes
- Allows for interaction with others · Combines cardio and strengthening
- Offered as classes, programs or open times · Poses little risk for injury
- Provides a low impact workout · Offers training variety and fun
- Proves simple to do · Gives no soreness · Gets quick results



"We promoted Fit Express exclusively and had our best August ever. Sales actually increased enough to pay for a complete circuit."

Ron and Sandy Franco,
 owners of Franco's Athletic Club



call now for an information package **1-800-934-0321** www.fitexpress.com

C⁴ = "Recipe" for Senior-Member Success

By: Casey Conrad

As the "Boomers" continue to boom, and stories continue to surface about their financial potential, more and more clubs are asking themselves, "How do we tap into the senior market?" The special editions of *The Club Insider* in September and October are further indicators of the timeliness of the subject. Of course, answering such a vast question isn't something that can be accomplished in one or two articles, but certainly the opportunity exists to provide insight and strategies for club operators

to identify, allowing them to create their own course of action as to successfully tapping into the senior market. This article will attempt to provide a framework that outlines the key components needed when marketing to and servicing the senior market.

A simple way to remember the components of a successful senior approach is "C⁴." I refer to C⁴ as a recipe and it stands for the four "C's" a club needs when wanting to tap into the senior market. They are: 1) Communication; 2) Creativity; 3) Commitment, and; 4) Compassion. Let's take a look at each of these compo-

nents in greater detail.

Communication

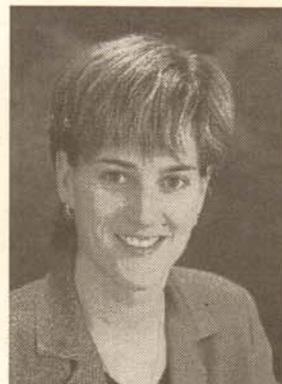
When a club operator wants to attract and keep a senior population at his club, one of the first things that need to be communicated is the proper image of club members. This is not a new insight into the industry but one that still poses a problem—especially as it relates to a clubs' marketing efforts. All too often clubs still use photography in ads that depict young, beautiful bodies, often clad in skimpy tight clothing. For the average senior—whether an exerciser or never before exerciser—this is not the type of image that will make him feel comfortable walking through the club's doors. Utilizing real life photos of seniors participating in actual club activities will go a long way to lowering barriers to entry.

Just as important as communicating the proper image of club members is communicating the proper definition of fitness and what it means to be fit. Let's face it, most seniors don't join a club because they want to have a perfect body. Of course, that's not to say that body image isn't important, its just that is usually isn't the most important thing to a senior population. Rather, health becomes the primary focus with concern for preventing or minimizing chronic illnesses, improving overall quality of life and maintaining independence for as long as possible. Therefore, advertisements should focus on health benefits and club materials need to further educate members on benefits to reinforce their decision to exercise regularly exercise.

The next aspect of communication with senior members (really, all members) is a proper induction into the facility. This means more than giving new members one, two or three "training sessions" with the fitness staff. Instead, extra care is taken to make them completely comfortable with the entire facility and confident with their new workout routine. One way to accomplish this is by offering a group club orientation where members are

brought through a seminar explaining all areas of the club, how they are used, what are the benefits, etc. In addition, staff introductions of managers are done and a social aspect is brought in at the end allowing these members to mingle with both other members and club staff. A second way to ensure a proper induction is to offer unlimited initial sessions with the fitness staff, allowing the new, inexperienced members to feel comfortable asking for additional help. Currently, when members are told, "You'll have three workouts with a trainer but, of course, if you have any questions you can always ask," usually results in members feeling stupid if they ask for more help. We know that intimidation and fear of the inability to do what is asked of them are two of the biggest concerns new exercisers have. Therefore, club systems that address these issues can only lead to quicker club integration, hence greater success and better retention.

The final aspect of communication, which really can be made part of the integration system is to clearly convey to seniors realistic expectations regarding their fitness program. And expectations don't just mean what they should expect from results, it means educating the member about the entire process of starting and sticking with a regular exercise program. What they will experience immediately after starting cardiovascular exercise in terms of their bodies' reaction and response, and the same for resistance exercise. What are some common things they will begin to see after 4-weeks, 12-weeks, 6 months and a year? What will happen if they drop out of their exercise program for an extended period of time? Understanding all of these things make the member more educated. And, as Syms clothing stores ads say, "An educated consumer is our best customer." In the fitness industry we know that the more educated a member is more likely to begin exercising, will be more comfortable and more likely to stay long-term.



Casey Conrad

Creativity

The second ingredient to successfully reaching the senior population is creativity. One area to bring creativity to is the clubs' marketing program. Like any other population of people a club is trying to attract, offering a variety of short-term memberships, trial program and specialty classes will enable the senior market to come try the club without having to make the decision to buy a long-term membership up front. Even if your club offers month-to-month memberships these types of creative offerings can boost response levels. Of course, having a strategic and well-designed plan for converting them into long-term members is a must, but your first goal is to get them through the door. (For more information on marketing short-term programs to specialty populations and marketing to seniors, please visit the clubindustry.com Website and search for "Casey Conrad's Marketing Tutorials.")

The next and very critical area for creativity is in programming. In addition to a great induction period to the facility, a club wanting to attract and keep seniors will have to have an interesting menu of well executed programs. The first thing to keep in mind when creating senior programs is relativity. That is, programs have to be activities and offerings that are of interest to the participants. Although there may be some seniors that would like a class in "Extreme Indoor Rock Climbing," the goal in senior programming is

(See Casey Conrad Page 20)

FRIDAY REPORTS

Weekly Marketing Insights
For The Club Industry

NOW IN OUR 7th YEAR!!!
Subscribe Now, Call
800-778-4411

- ▶ We do the research you'd like to do, in business & health periodicals
- ▶ Immediately-usable marketing action ideas in each issue — every Friday morning by Fax!
- ▶ Only \$179.00 per year (Less than \$3.50 per week).
- ▶ Fax to: 212-987-4227 (Ask for a sample issue)

A PUBLICATION OF CLUB MARKETVISION

177 EAST 87TH STREET, SUITE 301, NEW YORK, NY 10128
mgmvision@aol.com

FACT:

64.5% of Americans are Overweight and that number keeps rising.

QUESTION:

So, why is it that only 12% of ALL Americans are health club members?

ANSWER:

Most clubs don't offer a complete weight loss program!

SOLUTION:

HEALTHY INSPIRATIONS Weight Loss & Lifestyle Program

The HEALTHY INSPIRATIONS Program adds a major profit center to your club.

HEALTHY INSPIRATIONS is successfully attracting a client base that is NOT currently members of health clubs.

The HEALTHY INSPIRATIONS Program is turn-key and doesn't need a nutritionist to run.

In just over 2 years, there are now 51 licensed locations (and growing) in 16 US states & 5 countries.

HEALTHY INSPIRATIONS was developed by Casey Conrad, long time industry consultant.

HEALTHY INSPIRATIONS provides you with everything to start and successfully run the program--from help with your center design to pre-launch activities to grand opening to detailed sales scripts, and much, much more.

HEALTHY INSPIRATIONS provides you with monthly marketing campaigns, conference calls and support to drive sales.

With the Surgeon General's recent statement that only "the combination of exercise and proper nutrition can combat obesity..." can you think of a better time to get started with HEALTHY INSPIRATIONS?



Call to receive a
FREE info pack today 1-800-725-6147
or
Visit us at
www.healthyinspirations.us

IHRSA's Capitol Report

Reprinted Courtesy of IHRSA

ELECTION RESULTS: GOOD NEWS FOR THE FITNESS INDUSTRY

All four members of Congress who received IHRSA PAC funds this year won reelection yesterday! They include: Senator Tom Harkin (D-IA) and Representatives Ernest Istook (R-OK), Donald Manzullo (R-IL), and Anne Northup (R-KY). IHRSA's political action committee funded these races because these lawmakers have supported our industry's initiatives in areas such as health promotion, reasonable

modifications to the Americans with Disabilities Act, or the fight for a level playing field.

Voters in Forest Park, Ohio went to the polls Tuesday to decide on a tax increase to fund the construction and operation of a \$14 million, 82,000 square-foot recreation center. Citizens overwhelmingly rejected the proposal by a margin of 79% to 21%. John Janszen of Fitworks and Joe Moore of Moore's Fitness were key in defeating this proposal.

In Waukesha County, Wisconsin, voters were asked whether the city of Muskego

should proceed with construction of a \$14.14 million recreation center. A whopping 70% voted no!

UTAH HIGH COURT REAFFIRMS RULING AGAINST GOVERNMENT IMMUNITY ACT

The Utah Supreme Court has reaffirmed its landmark 3-2 decision in August declaring part of the state's Government Immunity Act unconstitutional.

That means individuals can sue governments for unlimited damages over any services not deemed essential to governing. Government facilities such as skate parks, swimming pools, fitness centers, even after-school programs may face increased liability if those services are also available in the private sector. Those higher liability risks could bring higher insurance costs and prompt governments to discontinue such services.

"We've asked all state agencies, universities and school districts to look at what they do and determine whether the benefit of their activities are worth the potential of unlimited liability," says Alan Edwards, director of the state's risk-management department.

CAPITOL HILL BRIEFING HELD ON PHYSICAL ACTIVITY & OLDER AMERICANS

On October 10, the National Coalition for Promoting Physical Activity (NCPA) hosted a policy briefing in Washington. Approximately 60 people attended and learned more about "Physical Activity and Older Americans." The event was co-sponsored by Representative Carrie Meek (D-FL), who shared with the audience details of her work on physical activity issues and her lifelong commitment to fitness.

The two speakers, Dr. Geoffrey Godbey, Professor of Leisure Studies/Recreation and Park Management at Penn State University and Dr. Teresa Keenan, Senior Research Advisor for AARP, shared information on barriers and motivators for

physical activity and scientific data concerning older adults and physical activity. Both presentations are available at www.ncppa.org

Representative Karen McCarthy (D-MO) provided an overview of the House Concurrent Resolution 474 which she introduced in Congress. The resolution encourages insurance companies to provide discounted premiums to those who exercised regularly and to provide for the screening of diseases that are treatable in their early stages.

BALLY TOTAL FITNESS NOT LIABLE FOR CUSTOMER'S FALL

Bally Total Fitness was found not negligent for injuries sustained by a member who tripped over weight equipment left on the floor. Kenneth Kern was doing curls at Bally's West University, Texas, facility when he walked backward without looking and tripped over a preacher curl bar, sustaining a compression fracture in the lumbar region. Kern claimed that he had made numerous complaints about weights being left on the floor. He sued Bally for failing to maintain a safe workout area and sought \$130,000 in damages.

Bally argued that Kern should have turned around and looked before moving backward. On Sept. 27, the jury agreed.

VIRGINIA SUPREME COURT WON'T HEAR APPEAL IN Y'S CASE

The Supreme Court of Virginia has declined to hear the appeal of a circuit judge's ruling that stripped the YMCA of charitable immunity in a slip-and-fall case.

Earlier this year, Chesapeake Circuit Judge Bruce H. Kushner ruled that charitable immunity was barred because the YMCA of South Hampton Roads effectively competed with for-profit health clubs for business.

A jury subsequently awarded Clinton S. Brown Sr. \$51,260 for injuries he sus-

tained after falling on the floor of the YMCA's basketball court. The floor had recently been cleaned with a chemical compound that made it slick and shiny.

The YMCA promptly appealed the case to the Supreme Court of Virginia, contending that Kushner's ruling on the charitable immunity issue was in error. However, the Supreme Court rejected the YMCA's appeal on Oct. 17, finding no "reversible error" in the ruling.

GROUPS RALLY AS WISCONSIN RECREATION VOTE NEARS

Advocating "sensible alternatives" to a proposal for a \$14 million recreation center in Muskego, Wisconsin, a new group has formed in preparation for Tuesday's advisory referendum which will ask voters whether the city should proceed with construction of the facility.

Opponents, including IHRSA and several of the association's Wisconsin members, question the scope of the project and the city government's role in a facility that would include a fitness and aquatic center and several amenities typically found at private health clubs. They also question financial projections that indicate the center would be self-supporting and would pay its own construction debt within one year of opening.

"Unfortunately, this project, intended to bring our community together, is tearing it apart," said Chuck Wichgers, a former city alderman who is acting as treasurer of the newly formed Partners Advocating Community Collaboration.

The group calls plans for the center "bad public policy" and says Muskego officials cannot guarantee that public dollars won't be needed to support the facility initially or in the future.

Wichgers' group says the city should first try to collaborate with both for-profit and non-profit agencies to fill the gap between the demand for city recreation programs and the space to hold them.



10 YEARS and Counting!

Subscribe Today!

Here Is Why:

- Norm's Notes With Latest Industry News First!
- Great Articles To Help You Improve Your Club's Profit.
- "Tell-It-Like-It-Is" Editorials!



Subscription Form

Name (s): _____

Attach List For Additional Subscriptions

Club Name: _____

Address: _____

City, State, Zip: _____

Telephone: _____

___ \$99 (U.S.) - 18 Issues (Includes Canada)

___ \$79 (U.S.) - 12 Issues (Includes Canada)

___ \$199 (U.S.) - International (One Year)

___ Check Enclosed or Charge To:

___ MC ___ Visa ___ AMEX ___ Discover ___

Card # _____ Exp. _____

P.O. Box 681241, Marietta, GA 30068-0021 or Fax: 770/933-9698
Call 770/850-8506 or E-Mail: clubinsidernews@mindspring.com

Ivanko introduces the new colored E-Z Lift plates to rave reviews at IHRSA

At the recent IHRSA trade show in Phoenix, Arizona, Ivanko achieved another milestone in our 35 year history by introducing the industry's first colored Ivanko E Z Lift rubber plate.

This new product introduction has proven to be the most successful new product introduction in our 35 year history! We have heard nothing but compliments on the vibrant colors, the fresh look, and the classic design of these new colored plates.

One of the most amazing things that we heard was how positive the reaction was from people who saw the plates on display on machines in other booths...your members will have the same reaction.

Join the excitement...try the colors and see what happens....you'll be glad you did....see the difference 35 years of experience makes! For more information, call or e-mail your Ivanko rep today and "Color up your weight room." with Ivanko E Z Lift plates.



IVANKO[®]
Engineered Passion

P.O. Box 1470, San Pedro, CA 90733, USA
Phone 310.514.1155 • Fax 310.514.1363
email chet@ivankobarbell.com
www.ivanko.com

...Casey Conrad

continued from page 14

to attract individuals who aren't already at your club. Line dancing, ballroom dancing/pot luck dinner nights, Strength & Stability classes, Bop-n-Bingo or anything else that combines exercise with an activity that seniors would enjoy or need for everyday quality of life are going to peak interest. Of course, in addition to being relative, it goes without saying that the programs need this to be designed so they are achievable yet can be taught in a way that allows people from various fitness levels to not only enjoy themselves but also reap fitness benefits as well. Finally, as it relates to each program, assess whether or not the class or activity is fun. This is an important element that too many club programs leave out. Let's face it, if something isn't fun, who wants to come back? Not me, and certainly not a population of people that has total control and flexibility over its leisure time. By following these three components as it relates to programming—being relative, achievable and fun—you can design and offer senior programs that will gain strength and popularity.

The final aspect of creativity relates to the design and implementation of incentives, which help senior members create a new behavior. Sometimes club operators think if they do a good job marketing and offering fun programs members will use the club. Anyone who has spent time in the industry knows this is not true. Exercise isn't something that most people look forward to doing. Think about it, in becoming a member, people are paying you to put their body through some level of physical discomfort—and they're paying for that privilege! Most people find it too easy to skip a workout and justify the behavior. One way to keep any member excited and motivated is to create incentive programs

that reward them for consistently using the club. Perhaps it is a yearly point system that earns them a prize at the end of the year. Maybe it is a monthly program that ties into a theme for some smaller gift, or it could be something as simple as a program that tracks attendance on a wall and the only reward to the member is the satisfaction that they achieved a goal. This is where the creative aspect comes in, i.e. finding unique, interesting and fun ways to keep senior members motivated long-term.

Commitment

The next component for successfully tapping into the senior market is commitment. All too often businesses think that the creation of a program ensures its' success. It's the "if you build it, they will come" attitude. Obviously, that doesn't work—especially with the senior population. If it did, there wouldn't be this current interest in learning how to attract and keep the market! No, capturing any market takes persistence and persistence only comes to those who have made a total commitment. One thing that clubs need to be committed to is utilizing systems for tracking member usage AND then finding ways to follow up with non-using members in a timely and efficient manner. Let's face it, any club that has a commercial software check-in program can track member usage but very few of them do anything constructive with that information. Certainly it may be unrealistic to call every member who hasn't been into the club in two weeks, but there are other forms of technology available today—like e-mail—that could be used to accomplish such a goal. And, it can't be a one-time communication. There must be a persistent effort to get them back.

Another aspect of showing commitment to the senior population is by offering

testing programs to focus the members' efforts and keep them on track. For instance, not just offering blood pressure testing but making it part of a senior member's program if they are a new to exercise individual. At HEALTHY INPIRATIONS we take every member's blood pressure on the first of their three weekly visits. It's not optional, regardless of one's health. For many members such a service adds value and provides useful health feedback. Another simple service is body composition testing. This could be done as part of a member's program or it could be added for a nominal charge. Another example of something simple and powerful but inexpensive is a blood glucose test, and in most states you don't need to be a licensed professional for the finger-prick tests. Given the rising level of type 2 diabetes in this country, this is a test of growing interest and acceptance. Yet another simple but interesting test is resting heart rate. One nice thing about one's resting heart rate is that with even a moderate amount of regular exercise a member's rate can drop a significant number of beats per minute in a one to three month period of time. All of these tests are examples of various tests that not only will build credibility with senior members but also build value and are constant reminders to individuals of the benefits they are deriving from their health club membership.

A third important aspect of commitment is establishing and maintaining good community outreach programs, which are any types of activity your club gets involved in that build credibility and top of mind awareness while doing something positive for others. This might be something as routine as sponsoring a blood drive, participating in Toys for Tots or going down to the local senior center once a month to give a chair aerobics class. Regardless of the activity, all community outreach efforts

need to be done without the intention of immediately driving sales through the doors. And, in fact, with something like the senior center chair aerobics you probably won't generate too many memberships from that crowd but who knows how many memberships you will ultimately influence by your presence. For instance, think of how many family members might drop by and see your commitment to giving back to the community. Who knows what newspaper might pick up the story and do an article—especially if you do a good job with your press releases! By making the commitment to community outreach programs you will not only reap the benefits of knowing you are doing something good but also that you are helping your business in the process.

Compassion

The final component necessary for successfully working with the senior market is compassion. Compassion isn't sympathy or a condescending comment when someone asks a simple question. Having compassion means being kind and tender. For many of the senior members your marketing efforts will attract, this will be the first time they have ventured into a health club. They might have never been an exerciser before and, in fact, for many, they may have bad memories of gym classes gone wrong many years ago. They will often be intimidated and sensitive to their lack of knowledge about the entire process. Therefore, some compassion for their feelings is a MUST. First, make sure you hire the right people for the club—those that exhibit compassion, friendliness and, when possible have experience, either personally or professionally, with the senior population. Next, give your entire staff training on understanding the mindset of the senior member-

we call it sensitivity training (and it's done for understanding all "special population" members), and re-visit the topic often for reinforcement. Finally, make sure you have the facilities and design features that meet the senior populations' needs. Although there are many considerations for this last suggestion, some are more important than others. For instance, providing a social outlet and area for interaction, like a café area with comfortable chairs, newspapers, Internet access, etc. Next, use larger print for schedules and other appropriate member materials. Also, ensure adequate lighting in areas that might be difficult to maneuver. Other design considerations would be placing handrails in more than just the required places, limiting the number of stairs when possible and carefully thinking about flooring choices to ensure solid footing for everyone. All of these things can make a big difference in the comfort level of the senior member and ultimately the success of attracting and keeping this market.

For years the health and fitness industry has been catering to the 18-35 year old and, as a result, our marketing efforts, programs and facilities have been designed with them in mind. The senior population is the largest and fastest growing segment available for health club operators and, as such we need to make the necessary adjustments in our operations to attract and keep these individuals. By assessing your current operation and then applying the C^4 recipe—communication, creativity, commitment, compassion—your club can be on its way to building a solid base of senior members.

(Casey Conrad is the Founder and CEO of Healthy Inspirations and Communications Consultants. Casey may be reached at: (800) 725-6147)

Taking the YMCA's Place

By: Bonnie Pfeister

Recently, our local YMCA received a \$2 million bond from the city to build another wonderful location in addition to the YMCA that is already in business here. Of course, that will provide more and tough competition for our Club Legends Fitness Center to deal with. Although we are very different fitness businesses, it is sure hard to swallow when you hear of all the money they get for free while we are watching our budget through a magnifying glass. I have worked with YMCA's before and none have been as vicious as our local YMCA. Their facility is like Disney World and their membership is huge. But as they stray away from the foundation the YMCA's of America were built upon it has given us an opportunity to step up to the plate.

Over the last few years, our local YMCA has almost completely eliminated all the wonderful programs that it was known for, replacing them with more profit driven programs instead. Since the underprivileged cannot take advantage of these programs, the Valdosta, Georgia YMCA has gained the reputation of being more like a country club for the rich, instead of a place for youngsters and in some cases, the underprivileged. Many of you have seen this very thing happen in your community, and if you haven't, that's great! But, for those of us that are up against an aggressive Y, it's time to step up to the plate and take their place in the community.

Club Legends Fitness is no YMCA. We offer a well equipped and maintained 12,000 square-foot fitness center that operates 24 hours a day in Valdosta, GA just north of the Florida border, and only 2 minutes from Interstate 75. We do not have pools, racquetball courts, basketball, gymnastics, massage, and after school programs, so you are probably wondering how a facility like ours can compete with a YMCA? You don't have to be a YMCA, to do some of the things that the original YMCA's started doing before

they lost their way. This means getting involved in the community, helping a neighbor, building helpful programs that may be open to the public, and even giving memberships away to special people who deserve and appreciate them.

One of the best things I did in the very beginning was to give free memberships to the Senior Pastors in our area. I know, you are probably thinking I am crazy. When we first came to Valdosta, Georgia to assume operating control of Club Legends Fitness we only had 400 active members and only 100 of those members were actually paying anything. We had hardly any women working out and the facility had a bad reputation of going out of business under several previous owners. I contacted local churches and started sharing my vision with them. After building relationships with them, and as each Pastor came in to claim the free membership, soon the Pastor's wives and church members followed. I knew that it would be a good thing, but I had no idea just how good the return would be on those free membership gifts to the Pastors. After a lot of hard work, many community service events, and a little more than two years later, our 12,000 square-foot fitness center is now sporting 3,249 dues paying memberships.

Six Simple Steps To Replace The YMCA In Your Community

Here are six simple steps that can help you get plugged into the community and will provide you with a plan to replace the local YMCA that has lost its way. It will take some time, but you'll find out that it will be worth it to both you and your community if you use these simple steps.

1. Read the paper and watch the news. You cannot possibly know what's newsworthy if you are not familiar with what is in the news everyday. Not only is it important to know what the news is, you also need to get in touch with the needs of the community. Read your local newspaper everyday and you will find a wealth of oppor-

tunity to serve and help the community. In return, the community will embrace your club and will bring you more referral business than you can imagine.

2. Get connected with other local businesses. You cannot be nearly as effective in the community on your own, so it is important to start building solid relationships with all types of businesses. You will be amazed how many people will supply you with free food and services in return for a health club membership or just recognition of their business somewhere in your club. If you have not already, be sure to join your local Chamber of Commerce. The Chamber is a great information and business contact source and they are normally very eager to help.

3. Build good media contacts. Even if you haven't done anything yet, go ahead and get on the phone and start paving the way now. Contact your local newspaper community desk or editor and let them know of your plans to do new and exciting things in the community. Let them know you will be providing them with Press Releases from time to time about the community service projects you have taken on. Get familiar with the press release process. You should follow the news. Then use creative thinking to create helpful programs and projects that will help people in need that you read about in the news. These creative ideas will do two things: 1) you will genuinely help the community and people in need; 2) your press release will provide the local publishers with product to use in their very tough life of daily or weekly or even monthly production deadlines.

4. Be ready to react. Whether it is a house fire or someone who needs special recognition, it is important to act quickly. Have a brainstorming team that can be creative and be prepared for different situations. One year ago, one apartment building in my complex caught fire. Within 15 minutes, all eight units were destroyed and the families were devastated and homeless. As I witnessed the trauma of this tragedy affect the lives of these families, I quickly began trying

to figure out what we at Club Legends Fitness could do to help. Within an hour our staff had food delivered and hotels booked for all of the victims. We called the local news channel, radio stations, and the newspaper and by the next day, everyone knew that Club Legends Fitness was collecting money, clothes, furnishings, and other items for the families. Although we knew it would be good publicity, we had no idea just how much this one incident would impact and help the families, our members, and the club's future community involvement. We were in the news over five different times from this one single community service act, and a couple of weeks later I was asked to serve on the Board of Directors for the local American Red Cross.

5. Get plugged into a good cause. Every organization can use some help. Look for different ways to personally serve your community. Your time, money, skills, or other resources will not only make an impact on your community, but can give the community an opportunity to get to know you outside of the club. Every time we give something to the community, I get back 10 fold return.

6. Always have good intentions. The truth will always come out and if you are only doing good deeds for a pat on the back, people will know it. Reporters don't want to hear someone brag about how great they are and if you get that reputation, reporters will no longer cover your stories. To truly be effective, the free publicity and recognition needs to be the icing on the cake, and not the main focus. Do the good deeds and the good will and eventual publicity will follow in due time.

So grab a newspaper, start building those valuable relationships, get ready to act, and don't let greed get in the way as you start branching out into the community. You will not only be surprised of how your efforts can affect your health club and members, but more importantly, how they can affect your life.

(Bonnie and her husband, Steve Pfeister are Co-owners and Managers of Club Legends



Bonnie Pfeister

Fitness in Valdosta, Georgia. Club Legends Fitness is just 1/2 mile from Exit 18 on Interstate 75 in South Georgia and they are open 24 hours a day and would welcome you to stop by for a workout if you are going to or coming from Florida. To contact Bonnie or Steve at Club Legends Fitness, Valdosta, Georgia call: (229) 259-0500 or email: clublegends@earthlink.net. Bonnie Pfeister has a complete dossier of local Public Relations activities and she will share them with us in upcoming monthly editions of The CLUB INSIDER News.)

The Club Insider News

Seeks Contributing Authors
Call Norm Cates
(770) 850-8506
or Email:
clubinsidernews
@mindspring.com

Make It Fun!

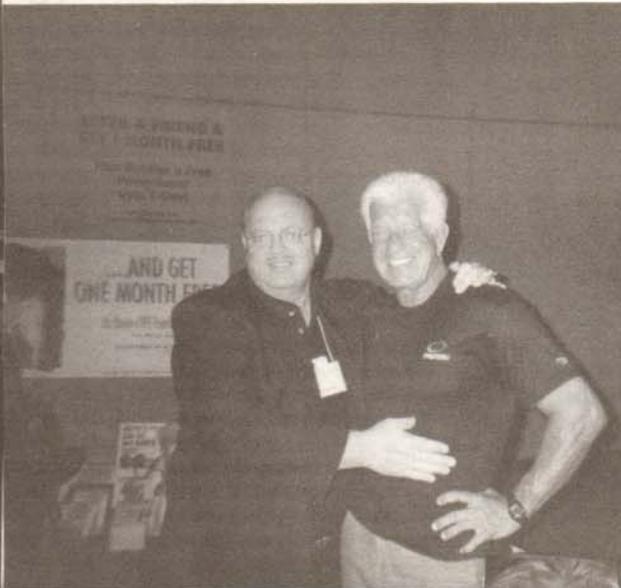
IHRSA/Athletic Business

Orlando, Florida – Nov. 6-9, 2002



George Snyder's Ms. Galaxy 2002 Contest

Orlando, Florida – Nov. 9, 2002



Give You Referrals, ... Why Should They?

By: Ray Gordon

Do you really believe that in the 2002 market, people really bring in a friend to join just so they can get the prize (sweat shirt, fleece vest, shirt, etc...)?

In an industry that has always relied on member referrals to achieve membership budgets, it is still one of the most under used procedures in the membership department. Sales Makers experience in clubs, of all sizes and management philosophies, shows that nearly 70% of all clubs are not currently above a level 2 performance.

Let's define the levels and you can rate your club. Come on--be honest...

Level 1: The membership person did not use the referral presentation form. Make sure your membership staff is trained to use the form routinely, *inspect what you expect!*

Level 2: The membership person used the referral presentation form and explained the guest policies. The mistake is made in the delivery. Explaining it as a "win this" or

"here it is, if you want it". Explain how the member nomination will be beneficial to them, and don't be afraid to ask for the referral.

Level 3: The membership person used the presentation form, explained the guest policy, presented the benefits of guest passes and expressed to them our way of saying thank you (sweater, sweatshirt etc.)

The key to this presentation is "dialogue selling" on the tour. Asking the right questions on the tour in order to explain the benefits of guest privileges.

Level 4: The membership person did all of **Level 3**, plus made motivational calls, sent thank you notes for the referrals they earned (and of course, included another guest pass), made sure the members knew that their effort was appreciated. The key to success is the motivational calls and extensive personal notes.

Are you level 3 or above 80% of the time?

Here are a few "proven profit procedures" that we know are effective in earning referrals.

A) Have a professional members nomination form. If you are currently using a copy of a copy, do yourself a favor and have a good one printed professionally.

B) Use a tangible product instead of "one free month's dues". The members that use your club are walking and more important, TALKING advertising billboards. No one standing in line at a grocery store will rave about using the money they saved on dues to pay for their groceries, but occasionally someone, seeing the club logo will ask them if they belong to the club and inquire about your clubs amenities and membership.

C) Do not sell what you are giving away as a referral gift in your Pro Shop. This article can only be earned. This special notation can be noted on the sleeve or under the logo. This gift is **only** worn by people who already know how to refer people.

D) Use a special pass for your referral member that allows you to write their name on it and the date that it expires. It is a good idea to get names and phone numbers so that you can follow up with people who

have not come in to use their pass. Inquire about the status of their referrals when you are making the new member motivational calls.

EARN THE REFERRALS!!!!

The key to getting referrals is to earn them. Develop a rapport with all of your members. Actively encourage them to use the club on a regular basis and look for them in the club. All of the information that you gathered on the tour to make the sale is even more valuable in your motivation calls. Don't end the relationship with your member the day he joins. This should mark the beginning of a professional relationship and should result in getting you many referrals. Many clubs are using software to track their member's usage and this is a valuable tool for you to use in motivating your members or to remind them to use the club.

One of the basic human needs seems to be the need to succeed. Doesn't it appear common sense that if a regular non-exerciser is happy

with his decision to join your club he will share his opinion with their friends? No member will be as enthused about his membership as a new member getting results and building a new social support group.

Not every member is going to be inclined to participate in the referral portion of the membership. Many have failed in previous exercise and weight loss programs and want to succeed on their own program first. My personal referral best was 42 separate new memberships from 1 member in a 30-day span. It happened to be in the 3rd month of her membership. If you keep your members excited and motivated about the club they will keep coming in and will bring their friends with them.

An important ingredient in the future of our industry is definitely an excited and impressed member bringing you a qualified membership prospect. This might be the highest compliment that any membership sales person can receive.

(Ray Gordon is the Founder & President of Sales Makers. See Ad Below.)

OUR BUSINESS IS...
BUILDING
 YOUR BUSINESS



Increase Membership
Increase Retention

Never Discount Dues

Sales Makers

A Consulting Firm Specializing in Marketing and Membership Sales Since 1981

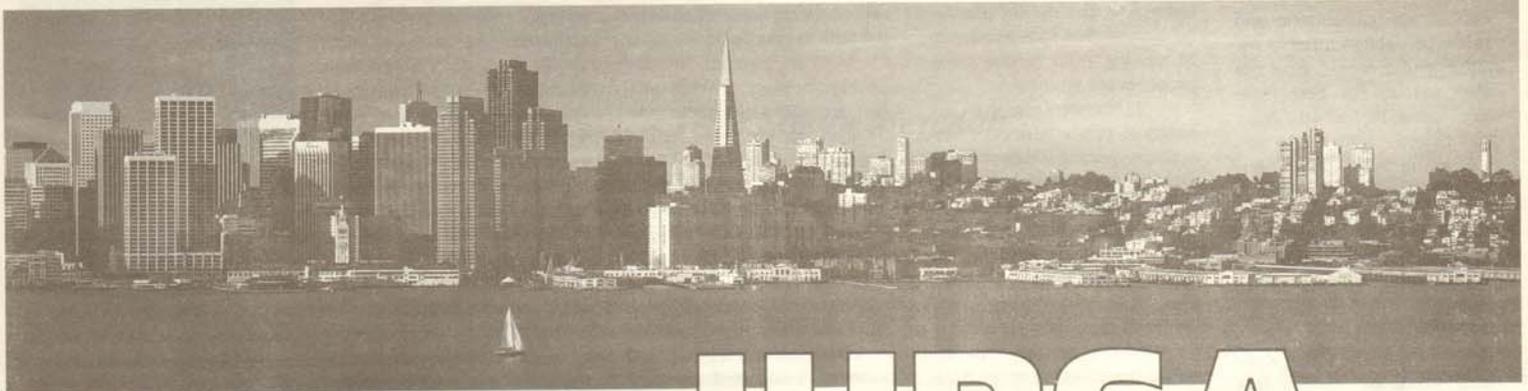
800.428.3334

www.sales-makers.com

**Special Rates now available for an
 "on-site" three-day system training
 workshop at your club.**

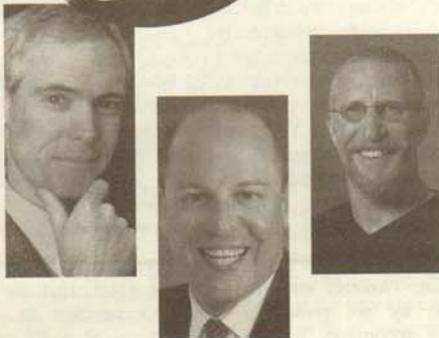
IHRSA's 22nd Annual
 International Convention & Trade Show
 February 26-March 1, 2003 | San Francisco, CA

64 countries in attendance | 10,000 plus attendees | 400 exhibitors



IHRSA 2003

"GOOD TO
GREAT"



Featuring

Keynote Speakers Jim Collins,
 Paul Zane Pilzer and Pat Croce

TRADE SHOW HOURS

Thursday, February 27

1:00pm-6:00pm Trade Show

Friday, February 28

6:30am-8:30am Early Morning
 Workout &
 Exercise Classes

11:00am-6:00pm Trade Show

Saturday, March 1

6:30am-8:30am Early Morning
 Workout &
 Exercise Classes

10:00am-2:00pm Trade Show

For more information or to register, visit
www.ihrsa.org/meetings or call 800-228-4772



Enthusiasm

(The easiest way to create a positive first impression.)

By: *Jhan R. Dolphin*

"Act enthusiastic and you'll be enthusiastic!" my brother and I would hear our father say in his best radio voice, just as he had said many times before. After all, he was a successful businessman himself who hoped to drill this and other phrases of motivation into our heads. As a (know it all) teenager, I never really paid attention to how important these impromptu mini-lessons of business would turn out to be.

With all of the wonderful words of wisdom that were offered by our parents, coaches and other mentors, the phrase about enthusiasm still

stands out as the one that has made the most noticeable difference in my career. Unfortunately, it is also the one particular element that I have found to be missing from far too many people in our business.

Nothing else has the ability to ruin a business transaction quicker than being assisted by someone who is short on enthusiasm for his job or the task at hand. When a person lacks excitement or the desire to please the customer, his attitude becomes very matter-of-fact. It casts a negative shadow on the way the public perceives the entire business operation. On the other hand, an enthusiastic staff sends a message of a professional

organization with involved and interested employees. The customer can't help but feel an overwhelming sense of security and faith in your business.

Put yourself in the customer's place. What product are you planning to purchase in the very near future? A new mountain bike? A new car? A spa for your home? A computer, or maybe a set of golf clubs? When we make the decision to purchase any of these types of goods we get excited! We research, read about and talk to friends and co-workers about it. We visualize ourselves using and enjoying the product. Then, we finally visit a showroom to make the big purchase. This is the point where a salesperson can share our enthusiasm and become part of the excitement or completely take the wind out of our sails.

The same is true when customers visit your facility. Whether it is their first visit to tour the club, or the first time they'll be exercising as a new member, the first impression they receive from staff members can set the tone for their entire club experience. We don't want help from someone

who does not share our excitement!

It is amazing how obvious the importance of enthusiasm is when we think about it using the previous example. Who do you know that is truly enthusiastic about what they do? Chances are, even if they are in an entry-level position, they will be the ones to watch in the future. People enjoy being around enthusiastic people, and people who are enthusiastic are much more valuable to the organization that they work for. They get noticed and doors of opportunity will seem to open for them.

Being enthusiastic is sometimes difficult. We all have challenging days when enthusiasm is hard to come by. When those days come around you will sometimes need to force yourself to be enthusiastic. Because it can be so contagious, you can literally turn a tough day into a great one. Find things in your day to get excited about and focus on those for awhile. You will honestly find that things start to turn around. Attitude is a very powerful force.



Jhan Dolphin

"Act enthusiastic, and you'll be enthusiastic!" It worked for me. Try it, and pass it along to your entire team!

(Jhan R. Dolphin is a professional speaker and twenty-two year veteran in the business of fitness. Jhan spends much of his time teaching business owners and salespeople how consultative sales and his system of "Positive Shock" customer service work together for greater success. Jhan can be reached in his Chicago office at (847) 365-5319 or www.positiveshock.com)

Norm Cates' **THE Club Insider** NEWS

INFORMATION REQUEST

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

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

Name: _____
 Club or Company Name: _____
 Address: _____ City: _____
 State: _____ Zip: _____
 Phone #: (____) _____ - _____ Fax #: (____) _____ - _____
 E-Mail: _____

Club Insider News Advertisers

- | | |
|---------------------------------------------------------------|----------------------|
| <input type="checkbox"/> Sales Makers - Pg 24 | Fax#:(914) 736-0508 |
| <input type="checkbox"/> CheckFree Corp - Pg 2 | Fax#:(678) 375-3304 |
| <input type="checkbox"/> Affiliated Acceptance - Pg 9 | Fax#:(816) 753-1429 |
| <input type="checkbox"/> Springfield Corp - Pg 12 | Fax#:(770) 729-0995 |
| <input type="checkbox"/> Muscle Dynamics - Pg 13 | Fax#:(310) 323-7608 |
| <input type="checkbox"/> Body Training Systems - Pg 27 | Fax#:(770) 424-1590 |
| <input type="checkbox"/> Thomas Plummer Company - Pg 7 | Fax#:(818) 707-1341 |
| <input type="checkbox"/> Healthy Inspiration - Pg 17 | Fax#:(401) 783-9671 |
| <input type="checkbox"/> Fit Express - Pg 15 | Fax#:(662) 841-1720 |
| <input type="checkbox"/> Ivanko - Pg 19 | Fax#:(310)514-1363 |
| <input type="checkbox"/> JLR Associates - Pg 14 | Fax#:(781) 431-0890 |
| <input type="checkbox"/> ActivTrax - Pg 11 | Fax#:(301)840-0041 |
| <input type="checkbox"/> Friday Report - Pg 16 | Fax#:(212)987-4227 |
| <input type="checkbox"/> IHRSA - Pg 25 | Fax#:(617) 951-0056 |
| <input type="checkbox"/> Free Motion Fitness - Pg 28 | Fax#:(719) 955-1104 |
| <input type="checkbox"/> The Club Insider News - Pg 18 | Fax#:(770) 8506-8506 |

Karen Woodard

continued from page 12

clubs give too much away in the beginning in the form of Orientations. The reality of that in most facilities is that the members don't even follow through with the complimentary

sessions. Another unfortunate reality: by not presenting a buying opportunity for PT at the time of joining, we force the new member into a position of having to find out about PT on their own at some time "down the road" after they have experienced the frustration of not seeing results. Hmmm... at

that point what do you think most members do - seek the services of a PT or quit the club?

(Karen D. Woodard, President of Premium Performance Training in Boulder Colorado can be reached at 303.417.0653 or karen@karenwoodard.com. She has owned and operated facilities since 1985 and has a successful consulting and training practice as well as numerous books, tapes and manuals for your professional development.)

For Lease

Prime North Dallas
 Freestanding Health Club
 15,000 - 25,000 s.f.
 Swimming pool, sauna, steam
 \$2 mil. in improvements.
 Turnkey, except equipment.
 Call: Ray Stern
 (O) 972-980-2833
 (C) 214-707-9999

**Make
 It
 Fun!**

GOT PROFITS?

body**training**systems



"Body Training Systems accounts for 1500 new members and \$1 million in revenue that we didn't have before. In addition, we avoided about \$100,000 of additional investments in capital equipment over the first two years with BTS."

- Gordon Johnson, Gold's Gym Owner

"In just three years with Body Training Systems, annual revenues increased from \$800k to \$1.7 million, and our earnings increased by \$250k."



- John Bonica, Global Fitness Owner



"In only 7 months, BTS has reinvented Group Fitness programming at WOW! We have experienced more than a 30% increase in class participation and more than a 25% increase in guest traffic across our seven clubs."

- Stephen S. Roma, WOW! Work Out World Owner/Chief Operating WOWzer

SEE HOW TO MAKE YOUR CLUB MORE PROFITABLE IN LESS THAN 15 MINUTES.

HERE'S HOW:

1. Request the **FREE** video from profits@bodytrainingsystems.com.
2. Watch the 15-minute video.
3. Evaluate our systems **RISK FREE** for 90 days.

Developed by:



www.bodytrainingsystems.com

800.729.7837

The Versatility You Need. The Results Your Members Want.

The Incline Trainer represents the first real breakthrough in treadmill design in decades, as a versatile machine ideal for members of all strength and skill levels.



 **NordicTrack**

Toll Free 1-877-363-8449
www.freemotionfitness.com

FREEMOTION FITNESS