

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

Norm Cates'

THE Club Insider

NEWS

NOVEMBER 2006



Colin Milner, ICAA Founder and CEO and Josefina G. Carbonell
Assistant Secretary for Aging at the U.S. Department of Health and Human Services



Colin Milner
Creating the Active Aging Industry

**“THE PITCHER
ONLY HAD A BALL,
I HAD A BAT.”**

- HANK AARON

**WE MAKE THE BIGGEST BAT.
COMING MARCH 2007.**

CheckFree[®]

Health club software that helps you compete in ways you've never imagined.

www.checkfreelaunch.com

Norm Cates' THE Club Insider NEWS

Colin Milner

Creating the Active Aging Industry

Norm Cates, Jr. presents an interview with ICAA Founder and CEO, Colin Milner

As the 1800s came to a close, the average life expectancy was just 47 years of age. This fact is not lost on Colin Milner, CEO of the International Council on Active Aging (ICAA), the world's largest senior fitness trade association. "We have added an additional 30 years to our life expectancy over the last 100-plus years," says Milner. "Now the questions are: *What do we choose to do with these additional years? And what is the quality of our life during this time?*"

Milner, who turns 46 in February, is an industry leader and a visionary. He has advised President George W. Bush's Administration on Aging, the National Institute of Aging, and a multitude of industry associations. Leading publications from *Parade Magazine* to the *New York Times* and *Newsweek* have interviewed him. He presents around the world and has authored more than 180 articles on the older adult market; most recently, *he was invited to author a vision paper for the White House Conference on Aging*. Yet, with all of this, he says he's just getting started. "We have a long

way to go before society and industry embrace the aging process and the wisdom and vitality that can come with it," says Milner.

To learn more about what the future may hold for the industry and the ICAA, *Club Insider* reached out to Colin Milner. We believe you will find this interview enlightening and inspiring. And, we believe this interview will help you grow your club business and improve your profit picture.

CI: *Let's go back to the very start. How did you first find your passion for the aging market?*

Milner: There have

been many defining moments. However, it first started when I attended a session in 1992 at a conference with John Rude, a well-respected consultant in the field of aging. We met at a function after his seminar and I can honestly say that his passion for this market and the impact we could have on the lives of millions *was the spark that lit my fire*. From there, my passion for active aging was ignited and fueled by Dennis Keiser, CEO of Keiser Corporation. This very wise man looks at the world through different eyes. It really was his tutoring that caused me to embrace

(See *Colin Milner* page 12)



Colin Milner

Michael Grondahl's Planet Fitness Acquires World Gym International, Inc

An Interview with Planet Fitness Founder and CEO, Michael Grondahl by Norm Cates, Jr.

Visionary. That's the single word I believe best describes Mike Grondahl.

Michael Scott Scudder, CLUB INSIDER Contributing Author and Club Industry's Fitness Business Pro Magazine's author and one of our industry's well trusted consultants, commented on Grondahl, "*He is truly one of the 'fresh new voices to be listened to' in the health and*

fitness industry. I believe he is a creative marketing genius and a totally determined entrepreneur who is going to have a huge impact on the health club industry."

Mike Grondahl and Mike Uretz had been negotiating the World Gym deal since last spring and it was completed just in time for the winter season.

World Gym franchisees will continue to operate as World Gym locations with their programming and membership pricing in place. Some World Gym franchi-

sees may want to switch to the Planet Fitness brand and if so, they will be allowed to, according to Grondahl. The plan Mike Grondahl has is to keep both franchises operating under their current names and as two divisions of the company.

"We're not trying to change World Gym into Planet Fitness. We're taking best practices of Planet Fitness and putting it into World Gym", said Mike Grondahl.

Franchising fees will be paid on a sliding scale that will slide with EFT if corporate is providing marketing materials to the franchisee.

Franchise fees will be aligned closely with what they are now. Franchisees may accept marketing help as an option. World Gym's brand has already been changed to make it appeal to a broader market. Grondahl said, "It's going to be a younger brand, more urban, more edgy, almost Crunch like with a little



Mike Grondahl Pursuing His Passion!

more of an edge." Because he feels the Planet Fitness brand is more of a suburban brand, while the World Gym brand is more urban, Grondahl has no concerns that the two brands might compete for the same members. The company will bring new marketing expertise to World Gym franchisees. Grondahl

believes a fresh marketing perspective will bring World Gym to its full potential. The corporate office will be available to answer franchisee questions and new branding materials such as t-shirts, literature, pens, etc. will be provided to the 295 World Gym clubs, said Grondahl. (See *Mike Grondahl* page 6)

• Inside The Insider •

- Joe and Heather Graves ... The "Stars of Vitabot"
- The Bottom Line on the Weight Loss Business – Part II
- How Do You Check Out as a Health Club Owner?

Norm's NOTES

Thank You

To The Club Insider News
 2006 Contributing Author
 Team Listed Below:

- **Rick Caro** - President, Management Vision, Inc - (212) 987-4300
- **Karen Woodard Chavez** - President-Premium Performance Training -(303) 417-0653
- **Michael Scott Scudder** - President - Southwest Club Services - (505) 690-5974
- **Casey Conrad** - Communications Consultants - (800) 725-6147
- **Colin Milner** - V.P. Sales/Marketing - Founder & CEO International Council on Active Aging - (866) 335-9777
- **Bonnie Patrick Mattalian** - Principal - The Club and Spa Synergy Group - (732) 236-2273 or bonnie.patmat@aol.com
- **Rande LaDue** - President - Pace Fitness - 1-888-604-2244
- **Karen Kirby** - President - Health Style Services - (210) 884-2620
- **Richard Ekstrom** - President - Retention Management - (800) 951-8048
- **Dale Dibble** - Retired - Bentley Village - Naples, Florida. Email: dwdibble@hotmail.com
- **John Brown** - President - PCM Fitness, Inc. - (281) 894-7909
- **Gary Polic** - Communications Consultants - XSPORT Fitness GPolic@communication-consultants.us 866-825-8501
- **Stephen Tharrett** - Consultant &- Author-Fitness Management 1-888-229-5745
- **Bruce Carter** - President-Optimal Designs Systems Intl. 1-954-385-9963
- **Jim Thomas** - President-Fitness Management USA 1-800-929-2898
- **Donna Krech** - Founder & President-Thin & Healthy's Total Solutions® - 419-991-1223

• **14 years** and counting! Hello everybody...this is your friendly **CLUB INSIDER** Publisher since 1993 checking in! Thanks to our **terrific advertisers** and **paid subscribers!** Because of **YOUR SUPPORT** we've defied the odds against publishing survival for **13 full years!** Thanks to all of our excellent **Contributing Authors**, past and present. (See this page for current). They've delivered countless best practice educational articles that have helped you shape your club(s) future and financial performance. And, thanks to over **150 world-class club owner/operators** who've shared their great success stories of excellence with **CLUB INSIDER** for our feature cover-story-case-study interviews each month for 13 years. We've given you this "INSIDE" scoop on industry role models to emulate because they've proven they have what it takes to be great in this tough, ever evolving, ever competitive health, racquet and sportsclub industry. Thanks to **RON HUDSPETH, CATHY BROWN, my son JUSTIN CATES** and to **BEN PEARSON**, as they too, have been instrumental in the start up and successful continuation of **CLUB INSIDER**. I also want to thank **IHRSA** and all of our other very valuable sources for new industry information. Thanks to **you all**

from the bottom of my little 'ol heart!

• **Happy Thanksgiving** and yes, **Merry Christmas!** (In advance) Also, while I am at it, happy **Hanukah**, happy **Kwanzaa** and a belated happy **Ramadan!** If the shoe fits for you with any of these greetings ... please wear it and also accept my best wishes for regular exercise, health, happiness and prosperity for you and your family. Remember, and I know I don't have to remind you pros ... regular exercise is important for you and your family too, not just your members.

• **MIKE GRONDAHL** Founder and CEO of Planet Fitness, has stepped up for big time involvement and business growth with his recent acquisition of **World Gym International, Inc.** from **MIKE URETZ**, in a deal valued at over **\$10 million**. Check out the interview with Mike Grondahl on page #3. And, **STAY TUNED** as things develop and for 2007 when I will feature a cover story-case-study on Grondahl and Planet Fitness. Grondahl is a misunderstood man. He is not a "Johnny come lately" as he's been in this industry since 1991. He experienced some self-induced very, very tough early years. And, he does not hold back on sharing that early start in his interview contained herein. In

fact, "Grondahl tells it like it is." Grondahl, however, is one bright dude. He is very gifted in marketing. But, something most of you don't understand about him is that he also is gifted at "thinking like a consumer" and has used THAT thinking to grow Planet Fitness very rapidly over the past five years. I predict that Grondahl is heading for greatness in this industry. There is a lot for each of you to learn from his interview.

• **Yes ... I know my comments above about MIKE GRONDAHL will make some of you bristle** and right now some of you are probably **cussing me**. So be it. "**Tell it like it is.**" And, "**How it is now**", is that this industry is **changing rapidly**. You wonderful **Mom and Pop** club owners and operators, particularly those of you with small to mid-size fitness/health clubs without multi-sport capacity, clearly need to be at your best. Big time investment banking firms are now in our industry and there are more coming. But folks ... let me tell you this. They're NOT interested in Mom and Pops! So, what is your club business doing for the long haul? There are lots of ways to change and improve your health/fitness club business, but the change must come from "outside-the-box". One place to find new ideas and answers is from **excellent club consultants**. And, change, new ideas and improvement must come from *your personal business growth and ongoing education in our industry, your thinking "outside the box"* that you've occupied and survived in so far, making *excellent plans for change, growth and improvement of your business, followed by dedicated and excellent execution of your plans.* **IHRSA** is the Association you need for all of this. Join **IHRSA** today! Call: 800.228.4772 to join. Plus, you **MUST** work **HARD** at it every day. I urge each of you to incorporate these four words in bold that follow in your thinking for change, improvement and growth if you have not already: **trust, evolution, differentiation and**



Norm Cates, Jr.
 niche.

• Speaking of great planners and achievers ... **ALAN** and **STEVEN SCHWARTZ**, the owners of **Tennis Corporation of America**, once again are proving **WHY** they've stayed in the game so successfully and have for five decades now, operating over 40 locations. Alan and Steven own and operate the terrific club here in my hometown formerly called: **The Sporting Club at Windy Hill**. It is located in the Interstate North Office Complex in booming Cobb County. Now, they are completing a major renovation of the 15+ year old club and a name change to: **Midtown Athletic Club at Windy Hill**. The new name is part of a major re-branding of the names of 18 of their clubs after their landmark, their flagship **Midtown Tennis Club** in Chicago. There the Schwartz Family has been the leader in tennis for years and years. The Midtown Athletic Club at Windy Hill was acquired 10 or so years ago by the Schwartz Family when **JACK NAIMAN's** empire collapsed. Naiman left with his Japanese investors holding a debt that was reportedly quite a few million dollars. Word is the Schwartz family acquired the entire club and super prime acreage out of bankruptcy for a song. But, there was a **COST** for the Schwartz Family to step in at the Sporting Club at Windy Hill here. That was they also inherited an unmitigated mess where about 20 different varieties of

(See Norm's Notes page 8)

The
STEP
 The Original Since 1989



www.thestep.com
800-729-7837 * 770-989-4700(x277)

VISUAL FITNESS PLANNER™

YOUR SALES SYSTEMS. OUR TECHNOLOGY. GREATER PROFITS.

196 million Americans are either obese or overweight!

Is your club maximizing this opportunity?

We offer you HEALTH AGE.



Health age means that, in this example, a 40-year-old American has the likelihood of contracting diseases such as diabetes, heart disease, cancer or having a stroke equal to that of a 53-year-old person

Attract, sell and retain more members than ever before!

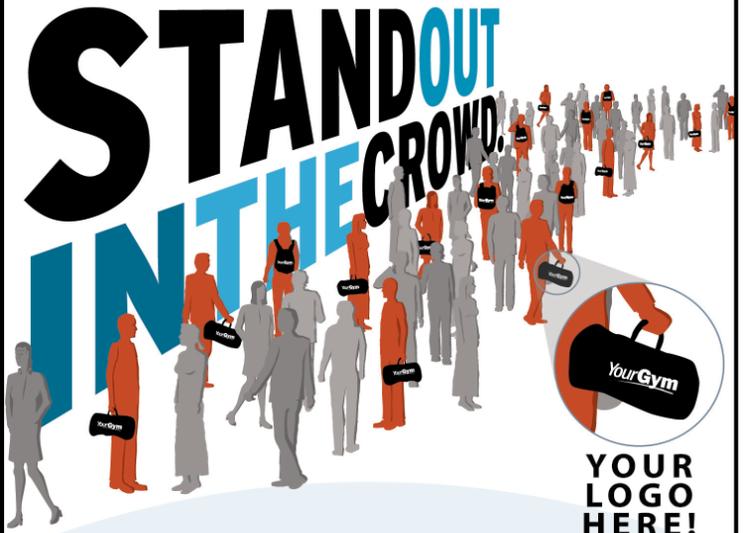
CALL TODAY

TO SCHEDULE YOUR ONLINE DEMONSTRATION

877.VFP.1212

email: info@vfp.us

www.vfp.us



Promotional Branding Tools Through Direct Importing

Do you want to...

- ▶ dramatically increase your "top-of-mind" brand awareness?
- ▶ create a buddy referral tool at point of sale?
- ▶ reap the benefits of hundreds or thousands of "walking billboards"?
- ▶ say "thank you" to long-time members?

ACTIVEXL OFFERS CREATIVE BRANDING STRATEGIES AND PRODUCTS TO THE FITNESS INDUSTRY.

OVER 200,000 PROMOTIONAL PRODUCTS AVAILABLE!!!

CUSTOMIZED BACKPACKS WITH CHOICE OF ACCESSORIES



PRICES AS LOW AS \$8.75 PER LOADED BACKPACK!
(includes cap, water bottle, and headphone)
(F.O.B. China)

ACTIVE XL
PROMOTIONS

1-866-952-2848 activexl.com

Standard production/delivery time: 12 weeks

...Mike Grondahl

continued from page 3

The Planet Fitness marketing team has already prepared a new mission statement, a new logo and the new branding materials for World Gym franchisees. They also have a 3-D rendering of what World Gym facilities of the future will look like. The new World Gyms will include three specialized areas providing a 30-minute upper body workout, a 30-minute lower body workout and a 15-minute ab workout. Essentially, these areas will be group exercise areas with no payroll and can run nonstop, says Christopher Rondeau. Rondeau had been CEO of Planet Fitness franchising and is now CEO of World Gym. The floor contains cardio, selectorized equipment, free weights and plate-loaded equipment. The new facilities will also offer five glass block tanning rooms and two glass block aqua massage rooms.

To see the new World Gym website go to: www.worldgym.com. As the Planet Fitness website does, World Gym franchisees may now take online memberships, billing changes, balance payments and member surveys. The website enables franchisees to change group fitness schedules quickly. They may also order merchandise, acquire build out and branding materials, and printer-ready, front-desk operation paperwork off their franchisee login, says Rondeau.

Mike Uretz, former CEO and President of World Gym will stay with the company as a consultant for two years. Uretz happily commented on the purchase, "I'm more excited about this than anything else that I've done in my career. They have the infrastructure and the wherewithal to add the things that all World Gym and all gym owners need to be successful. It'll translate into the World Gym world."

Karin Michaels, who worked in franchisee support at World Gym for years, will move to Dover, New Hampshire in the next few months and continue supporting the World Gym franchisees. Grondahl says, "My brother Marc and Chris Rondeau deserve much of the credit

for the success of Planet Fitness. Marc has a finance degree and has kept me out of trouble from expanding too fast and overspending and he deserves recognition for all of his work. Chris Rondeau came to work for us in 1993 as desk staff while he was in college. Over the years he developed the efficient operating model that allows Planet Fitness to be profitable on very low rates. He was made a partner in 2002 and earned it solely on sweat equity!

"You are going to be hearing a lot of noise from us," Grondahl says. He has two confidentiality agreements in place with two other club companies, so World Gym International, Inc. may not be Planet Fitness' last purchase.

A Timely Interview With Mike Grondahl

I have never met Mike Grondahl in person. But, I have enjoyed two significant and lengthy phone conversations with him in the past few years. The interview below will clearly explain why I describe Mike Grondahl as a visionary. In 2007, CLUB INSIDER will produce a feature cover story-case study on Mike Grondahl's Planet Fitness and his newly acquired World Gym International, Inc. This will be a preview of that work. My message about Mike Grondahl and Planet Fitness to all readers is this: Do not let what you think about a \$10 per month membership cause you to believe that this man, Mike Grondahl, is not very smart, purely and simply on the wrong path and someday headed for failure. He is not. Much to the contrary, I believe he is headed for major fame and fortune in this health/fitness club industry.

Q. Mike, please tell us about your education?

Grondahl – I have a four year degree in Marketing from Nichols College in Dudley, Massachusetts.

Q. When and how did you become involved in the health/fitness club industry?

Grondahl – I was interested in lifting weights. I was a commercial realtor and I was unhappy. I was looking for a business that would produce a constant cash flow.

My brother Marc was working as a cost accountant. He was unhappy where he was, too. I had made some money selling a couple of pieces of real estate and decided to take that money and borrow some money from my grandmother to go into a business for myself. My brother and I started looking at an array of different businesses and we ended up buying a Gold's Gym in Leominster, MA. That was in 1991.

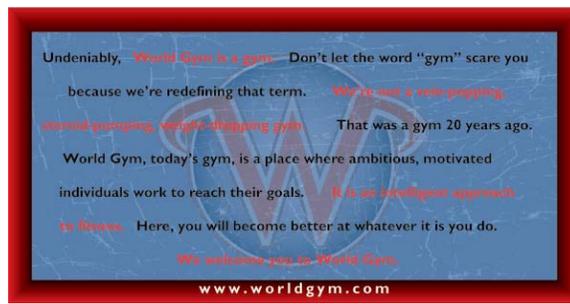
In a very short period of time I had a huge amount of disappointment in the club business. The first Gold's Gym in Leominster was in bankruptcy in 10 months. We were also running a club under a management agreement up in New Hampshire and that was unsuccessful. We bought a club in Marlboro, MA. And that went out of business and closed. In August of 1992, I bought a Gold's Gym that was four days away from closing because they couldn't pay their utility bills. I lost all of my credit.

CLUB INSIDER – So, you've earned your stripes the hard way, eh? Sometimes that can be a good thing because you don't make the same mistakes again.

Grondahl – Yes, I learned the HARD WAY. I made a lot of mistakes really fast and really early. I got myself in such a bind that without credit, I had to live off of my brain.

Q. When and where did you open the first Planet Fitness and why did you pick that name?

Grondahl - My wife now, Lisa Grondahl, but my girlfriend at the time, was interested in the Ms. Fitness Pageant. We were down in Orlando, Florida and were driving down the road when I spotted the sign for the Planet Hollywood restaurant and bar. I said, "Planet Fitness!" I was all excited. I had *chills* right then and there. I knew Planet Fitness was a *perfect name*. Right then I began to think about how I would be able to get my attorney to register the name immediately. What happened was (he is laughing between words) after we flew back from Orlando we were driving home and all of a sudden I saw a sign at a club in Woburn, MA. That said, "Come to the all



World Gym Mission Statement

new Planet Fitness!" It was like all of the blood just went out of my body. I was *devastated*. I still remember the feeling today. I actually knew the owner. His name is Dave Laird and he is now one of our Planet Fitness franchisees. I called him up and asked him, "Where did you get the name?" So, he said, "Some guy down in South Florida came up with the name and I just started using it." The guy down in Fort Lauderdale had come up with the name and had it trademarked. I felt the guy in Florida was going to get hammered by Planet Hollywood, the now defunct restaurant/bar chain.

So, I did some research into the name registration. I found out that Planet Hollywood also had a registration on the name: *Planet Hollywood Fitness Centers*. So, I just decided that because I had only one club then, I would go ahead and use the name, figuring that I would just stop using it if I ran into problems with the name in the future. In the meantime the Planet Hollywood went bankrupt. After 18 months of negotiation, I finally bought the name Planet Fitness for 49.5 states. The 1/2 state was because of the guy in Sunrise, Florida, Rick Burks, who originally wanted 1/2 of the state of Florida. Since then, we've negotiated that down to an area of a few counties and I split the royalties with him. If I would have been smart I would have picked his first offer for all 50 states, but at the time, we didn't know what the heck we were doing.

CLUB INSIDER – Virtually everyone of us in this industry can say what you just said, but a lot of people won't admit mistakes.

Grondahl – I really don't mind making mistakes because the guys who are not making mistakes are ei-

ther lying to themselves or they're not doing anything.

Q. How many company owned Planet Fitness facilities do you have now?

Grondahl - There are 10 that I own with my 2 original partners, we're building our 11th in Exeter, N.H. and we have a partnership in two clubs with Roger Bates out in San Francisco, a partnership in Greensboro, North Carolina and one in Glen Burnie, Maryland. We own 15 corporately and we have 105 active franchises, so the total is now 120 Planet Fitness locations. Plus, right now we've got 40 signed agreements that are in different stages of pre-selling. Within the next four months our total will increase to 160 locations. To be honest with you, it is growing exponentially. For example, for the first time, we put our phone number up on our website and in two weeks we've had 70 phone calls for franchises.

Q. - Tell me if I am correct when I write that Planet Fitness' success has been because of:

----1) Your personal marketing savvy and skills.

----2) Low priced memberships, some reportedly as low as \$5.99 per month, but most at \$10 per month, providing great value to regular exercisers and to a significant segment of non-exercisers in every market you serve;

----3) Your very successful market differentiation of your product with the Planet Fitness "judgment free" mantra, free weight equipment for the "normal" person, not tolerating free weight "grunters and screamers", your club cleanliness standards and your staff's focus on service for those who need it;

----4) Your relatively small Planet Fitness footprint (thus low overhead) offering significant numbers of both cardio

(See Mike Grondahl page 16)

Sales Makers



"I firmly believe the consultants that we have used over the years have given us quite an edge. For example, in my opinion, two of the *sharpest guys* in the consulting business are *Ray Gordon* and *Eddie Tock* at *Sales Makers*. As our company has become increasingly systematized, Sales Makers has been an integral part of that process by helping us implement sales systems which are practical, effective and based on years of experience. Fundamentally, the training *boils down to our core belief* in *continuous education* for our staff, which in turn leads to a *better experience* for our members and guests. It's simply something that we believe in, and gratefully we have found outstanding consultants in Sales Makers to partner with us."

- Skip Johnson
Owner - 3 Clubs



Ed Tock



Ray Gordon

Sales Makers "Proven Profit Procedures"
(On-Site Training Now Available)

Email: info@sales-makers.com

Phone: **(800) 428-3334**

~ MEMBERSHIP SPECIALISTS ~

Kid's PETM

Kid's PACE Express

Shaping America's Future



Non-intimidating, Safe, Fun * New Pro?† Center* Introduce Kids into a Healthy Lifestyle * Improve Member Retention* Increase Family Memberships

Kids PE is Ideal for Health Clubs, YMCA's, Schools, Community/ Recreation Centers, Youth Teams, Church Groups, Etc.

For More Information on Kid's PE or our adult PACE Circuit Training Program, call 888-604-2244 or visit www.kidspacexpress.com or www.pacegroupexercise.com.

...Norm's Notes

continued from page 10

memberships had been sold by multiple previous management entities. Over years and years they've unraveled the mess and the club has been sailing along since then.

• **Big JOHN McCARTHY**, recently retired **Executive Director** of **IHRSA**, has joined the **CYBEX Board of Directors**. John commented, "I am honored and delighted to join CYBEX's distinguished Board of Directors and I look forward to working with **JOHN AGLIALORO** to accelerate the growth of CYBEX and the growth of the global fitness industry." More on the Cybex front and this is BIG too. Cybex has announced that its application for listing its common stock on The **NASDAQ Stock Market®** (the "NASDAQ") has been approved. The Company expects to begin trading on the NASDAQ under the symbol "CYBI" on or about November 21, 2006. The Company's common stock will continue trading on the American Stock Exchange under the symbol "CYB" until the move is completed. John Aglioloro is a terrific Ameri-

can entrepreneur and he and his Team are very wise to have invited John to join their Board of Directors.

• **CHRIS CROWLEY**, co-author with **DR. HENRY S. LODGE** of **Younger Next Year**, was the guest speaker at the **Body Training Systems Summit** held in Portland, Oregon on November 10th. **Younger Next Year** is a **New York Times Best Seller** and a terrific read! Check out the BTS ad on page 31 of this edition. Go to: www.youngernextyear.com for more info on the book.

• **JERRY NOYCE**, the **CEO of Health Fitness Corporation**, has announced record third quarter 2006 financial results: the company achieved a **21.4% increase in total revenue**; health management revenue **expanded 61.2%**, gross profit, as a percent of revenue, **increased to 32.3%** and net earnings to common shareholders **grew 131.8%** to **\$1.2 million**. Jerry Noyce is one of the very nicest people you will ever meet anywhere. I was very pleased to report a few months back that Jerry had joined the **President's Council on Physical Fitness and**

Sports. Jerry commented on the record HFC performance: "We are very pleased with our record revenue, earnings and strong improvement in gross and operating margins for the third quarter. *These results reflect growth in both of our key business areas*, including the significant expansion of our higher margin health management program offerings. Specifically, approximately 75% of our growth for the third quarter, compared to last year, is attributed to the growth of our health management business area, which has come from existing and new customers."

• Because my friend, **JERRY NOYCE**, is on the **President's Council**, I want to put a "bug-in-Jerry's-ear now." Hey Jerry ... how about suggesting to **PRESIDENT BUSH** that **IHRSA** has the capability to create a team from amongst its membership to produce the work recently announced by **MIKE LEAVITT, Secretary of Health and Human Services, much sooner than the end of 2008**. Leavitt recently announced **HHS** was going to develop a **Physical Activity Pyramid, a/k/a exercise guidelines for Americans, to be released by the end of 2008**. They would be similar to the recently announced **Food Pyramid**. Please tell President Bush for us that there are millions

of Americans *right now* at *risk of dying* due to this obesity pandemic and they *need help NOW, not at the end of 2008*. Yes, I know how busy our President is, but President George W. Bush is the most fit President in the history of America and a daily exerciser, so he knows ALL about the benefits! Please get this message to him for me, will you Jerry? *You can even tell President Bush I am writing this because I was one of those people six years ago and I saved my own life and turned my lifestyle around 180 degrees through regular exercise and lost 110 pounds!*

• I am happy to see my friend and **CLUB INSIDER** advertiser, **THOMAS PLUMMER**, has entered into an alliance with **IHRSA** they are calling: the **National Fitness Business Alliance**. Plummer's announcement with events and mention of his other speakers **MIKE CAMPETELLE, NIKKI LAYKE and ROBERT CAPUCIO** is presented on their new ad on page 13 of this issue. Our course, Thomas will be the Keynote Speaker at his events that are kind of like a mini-IHRSA Convention. The NFBA is intended to help independent club operators and when I wrote previously about growing your business knowledge and finding new ideas from excellent

consultants... well, Thomas Plummer and IHRSA's new alliance is a GREAT place to start! I plan to be at the June 20-21 event here in Atlanta!

• **COLIN MILNER**, our cover subject for this month, conducted the **4th Annual ICCA Awards** for creativity and excellence in active aging innovative offerings on Thursday, November 16, at **ICAA's Active Aging 2006** conference in Las Vegas. The winners are: **Advance to Wellness, SecureHorizons** from **United HealthCare**, Santa Ana, CA., **Wellness Program, Inverness Village Wellness Center**, Inverness Village, Tulsa, OK., **Project Enhance, Senior Services**, Seattle, WA., **Get Fit on Route 66/Step Up to Better Health**, AARP, Washington, D.C., **Travel by Leisure Care (TLC), Leisure Care**, Seattle, WA, and **Excellence for Living/Passport to Wellness, Sunnyside**, Harrisonburg, Virginia. In addition, ICAA recognized the **Life Fitness Circuit Series** age-friendly strength line as its **2006 Industry Equipment Innovator**, an awards category that spotlights North America's most inventive new fitness equipment for active older adults.

• **DON KONZ** is doing really good things at **Sport & Health**. The D.C. based **Sport & Health Club** group and **PROJECT FIT America**, have teamed up to donate \$100,000 in fitness equipment to local schools. On October 25th and 26th they held a ribbon cutting ceremony and kick-off event officially dedicating new donated fitness equipment and programs to four D.C. area schools.

• **Town Sports International Holdings, Inc.** announced its results for the quarter ended September 30, 2006. 3rd Q. 2006 revenue grew 11.4% to \$109.4 million from \$98.2 million for the same period last year. Total revenue for the first nine months of 2006 grew 11.3% to \$322.9 million from \$290.0 million during the same period last year. Comparable club revenue increased 7.8% during the third quarter compared to the same period in the prior year. **BOB GIARDINA, TSI CEO**, has always
(See Norm's Notes page 10)

Norm Cates' **THE Club Insider** NEWS
14 Years and Counting!
Subscribe Today!
Here is Why:
-Norm's Notes With The Latest Industry News First
-Great Articles To Help Improve Your Club's Profit
-Tell-It-Like-It-Is Editorials

Name: _____
Attach List for Additional Subscriptions
Club Name: _____
Address: _____
City, State, Zip: _____
Telephone: _____
\$89 (U.S.) - 12 Issues (Includes Canada)
\$119 (U.S.) - 18 Issues (Includes Canada)
\$199 (U.S.) - International (One Year)
Check Enclosed or Charge To:
M.C. Visa AMEX Discover
Card# _____ EXP: ____/____

The Club Insider News
P.O. Box 681241, Marietta GA 30068-0021
(O) 770-850-8506 (F) 770-933-9698
Email : clubinsidernews@mindspring.com
www.clubinsidernews.com

Norm Cates' **THE Club Insider** NEWS
14 Years and Counting!
Established 1993

The Club Insider News is Published in Marietta, Georgia.
Those wishing to reproduce any portion may do so, provided it is not for resale in other publications.
Reprints for commercial use are available by request.

PUBLISHER AND EDITOR - Norm Cates, Jr.
I.T. DIRECTOR AND ASST. EDITOR - Justin Cates
WEBSITE DESIGN - Justin Cates
PRINTING AND MAILING SERVICES - Walton Press
www.waltonpress.com

The Club Insider News
P.O. Box 681241, Marietta GA 30068-0021
(O) 770-850-8506 (F) 770-933-9698
Email : clubinsidernews@mindspring.com
www.clubinsidernews.com

ARE YOU GROWING YOUR BUSINESS OR JUST INCREASING STAFF?

Now is the time to build a strategic
partnership with AAC!

- 
- ◆ Increase Member Retention
 - ◆ Integrated Billing & Software
 - ◆ Sales & Marketing Strategies
 - ◆ Effective Training Programs
 - ◆ Step-by-Step Configuration
& Software Setup



AFFILIATED ACCEPTANCE CORPORATION

"KEEPING YOU CONNECTED!"

800-233-8483

www.affiliated.org



...Norm's Notes

continued from page 8

done great work for TSI and has carried the TSI torch well since the departure of **MARK SMITH**.

• Opening this month in the ever growing and booming North Atlanta market is the new **Life Time Fitness** mega-facility opening this month in Alpharetta, Ga. It is about a one hour drive from the Schwartz's newly renamed Midtown Athletic Club. (Noted above) I've only seen one Life Time Fitness club and that was in Plano, Texas, a suburb of North Dallas. I am looking forward to visiting this new one. I had the pleasure of touring that facility with my friend, **LESLI LEHMAN**, a few years back. My feeling is that Life Time Fitness truly deserves my nickname

for the organization: **the 900 pound gorilla**. And, as I have also written before, Life Time Fitness Founder and CEO, **BAHRAM AKRADI**, is a true **American success story**. We wish Bahram and all at Life Time Fitness great success as they enter my turf ... the ever growing Atlanta metro market.

• I want to thank **DOUG HEINZ** of **Home Courts of America** for the nice note about "**Our Group**". "**Our Group**" is a "Team" I am bringing together to really focus on fighting the obesity pandemic. Doug wrote: "Good afternoon Norm, Just finished reading your "Will America Die Young?" column; GREAT JOB! I'm very interested in becoming part of "OUR GROUP". Let me know what's next. God only knows this movement is way be-

yond "OVER DUE"! Thanks for keeping us all informed so well." **THANKS DOUG!** Here is an update for you all about "Our Group". First, let me say that I and everyone in our original Chicago meeting group have been busier that a "one-armed-paper-hanger" since the Chicago get together. In fact, I owe "Our Group" a writing about my thoughts. So, I am going to start with this memo. I have at this time come to feel that I want to do something *totally unique* for this affiliation/alliance/association I now refer to as "Our Group". That is for the first year at least, to *build it without any money involved at all using the internet*. I have not yet submitted my thinking to all of "Our Group" for discussion but will by our December, end of the year CLUB INSIDER edition. In the meantime, I invite any club owner/operator/fitness professional/manufacturer/vendor or service provider that is interested to send me an email: clubinsidernews@mindspring.com So ... **STAY TUNED!**

More People and Happenings

• **GEOFFREY DYER**, the Founder and CEO of **Lifestyle Family Fitness** with clubs in Tampa and Orlando, Florida and **Humana's Silver Sneakers®** brought in the one and only **JACK LaLANNE**, for a personal appearance to conduct "**World's Largest**" **Silver Sneakers Fitness Class** on November 3, 2006. 60 seniors attended the class Jack taught and the autograph lines were long. Jack LaLanne opened his first health club in 1936, had a TV fitness show for decades, has been involved in the health club business significantly over the years and at 92, is still fit, healthy and making personal appearances when he's not on TV selling his amazing juicer. What a man ... and what a couple as Jack loves to travel with his beautiful and vivacious wife, **ELAINE LALANNE!**

• **GOVERNOR MIKE HUCKABEE** and **CASEY CONRAD** both have something in common. They both have a book that will help Americans and people

around the world fight the obesity pandemic. Governor Huckabee's book is entitled: "**Quit Killing Yourself With a Knife and Fork! A 12 Step Program for Lifestyle Change**". Casey's book is entitled: "**Winning the Struggle to Be Thin**" (Go to: www.winningthebattle.com to order). Both books will help people who need help a lot, so please tell all your members about them.

• Because I want to help Casey and Governor Huckabee promote their new books now to improve and save lives, my schedule of production of **CLUB INSIDER** and my work on "**Our Group**", I've decided to *delay* my final revisions and printing of my book until the 1st Quarter of 2007. I've got a lot of work to do on it before it goes to print, but when it is in print I promise you it will help people save their own lives too!

• Congrats to **DAVID PATCHEL EVANS** CEO of **GoodLife Fitness Clubs** in Canada, as he was recently honored with **two Entrepreneur of the Year** awards. One was sponsored by **ERNST and YOUNG**. The second award was sponsored by **National Post, Global, La Presse and RDI**. 1,000 attended the honors banquet in Toronto on October 19th. Patch won after competing against over 400 company CEO's nationally.

• **A moderate exercise program may reduce the incidence of colds**. A study published in **The American Journal of Medicine** found that otherwise sedentary women who engaged in moderate exercise had fewer colds over a one year period than a control group.

• **God bless our troops, airmen, seamen and their families for their huge sacrifices as they fight and die for our freedom in Iraq and Afghanistan and their families sit at home worrying. God bless the men, women and children of Iraq as the fighting goes on, as they are the ones being killed in the greatest numbers by the enemy. God bless America. Each and every one of us who are Americans are so, so blessed.**

• **STAY TUNED!**

Blanche Beavers Fish

1928 – 2006

My Dear Aunt Blanche

My dear Aunt Blanche was the last surviving sibling of my beloved and late mother ... Leota B. Cates. The youngest of 8 children, dear Aunt Blanche passed away on November 3, 2006. Aunt Blanche was an extremely kind, sweet, caring and giving person on this earth for 78 wonderful years.

I do not think I, or any of our family members, ever heard her say a mean or unkind word to anyone. Ever. She was the loving wife of the late A.T. Fish. She was the mother of adoring children Cathy (Fish) McClain and Tony and Eddy Fish. She will be missed greatly by all of her family, including my Dad, Norm Cates, Sr. and his wife, Louise.

Blanche Fish will also be missed greatly by the Springhill, Louisiana community where she lived her wonderful life and served for 35 years as a teller at the Springhill Bank and Trust.

I am very sad that I could not be with our family during the services honoring her life on November 5th and 6th. Services that remembered her for the truly wonderful, caring and giving person she was throughout her life.

I know Heaven has accepted Dear Aunt Blanche with open arms. I know she has joined my Mom and our other departed family members forevermore.

May my Dear Aunt Blanche rest in eternal peace with my Mom, my grandparents, Doss and Mable Beavers, and all of their children.

- Norm Cates, Jr. - Marietta, Georgia

**JLR Associates announces
the placement of**

Dirk Bartlett

Director of Sales

Millenium Partners

Sports Club Management/Boston

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

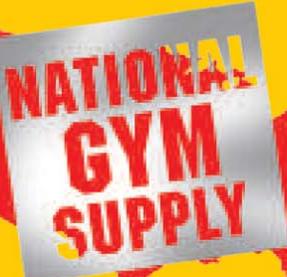
(781) 251-0094

jr@jlrassoc.com

www.jlrassoc.com



2006
CATALOG
available
now!



NATIONAL GYM SUPPLY

The **number one** resource for fitness professionals!

- Parts & Electronics for Cardio Equipment
- Electronics Repair
- Weightroom Supplies
- Tools for Trainers

CALL OR CLICK FOR YOUR FREE CATALOG TODAY!

1-800-GYMPART / WWW.GYMPART.COM



We've got you covered!



...Colin Milner

continued from page 3

this segment of our industry.

Finally, and most significantly, it was the outcomes. Most of us are now familiar with the research showing that, **no matter how old you are**, you can make a huge improvement to the quality of your life by being physically active. I visited and spoke with older adults who had gone from a wheelchair to a walker, a walker to a cane, then to walking independently—you see a quantum shift in thinking. *These sessions had a big impact on me and fanned the coals into the wildfire it is today.*

CI: *How did you come up with the idea for your organization?*

Milner: The ICAA is the culmination of my 25 years in the fitness industry, especially the last 15 years, during which I visited well over 1,000 fitness clubs and seniors housing facilities. Every time I visited these groups, I saw an absence of attention to the aging “Baby Boomer” and older adult market. *Few were truly focused on this market—it was simply not their core business*—and organizations that provided programming for these groups saw it as a small part of their total business. I also saw and continue to see, a lack of individuals with the specific qualifications and knowledge for dealing with the aging crowd.

Like any business opportunity, I saw a need and addressed it. It really is as simple as that.

CI: *What does the ICAA hope to accomplish?*

Milner: My goal when I launched the ICAA was to unify sectors serving older adults to create an industry dedicated to better health, wellness and quality of life for this age group—the *active aging* industry. What do I mean by active aging? At ICAA, we sum up this concept with the phrase “*engaged in life*.” Active aging describes people and populations living life as fully as possible within the dimensions of wellness (emotional, vocational, physical, spiritual, intellectual, social).

Some people may think active aging is just

about physical activity. Yes, physical activity is an important part of active aging. *But, it is only one component.* Fortunately, physical activity has a positive influence on all areas of life. It improves physical function and mental skills, improves outlooks, offers social contact and better prepares us overall for work and home. And research has shown that, other than diet modification, physical activity holds the greatest promise for reducing the risk of chronic disease.

The Alliance for Aging Research has called chronic disease a threat to US health and economic well-being. In fact, projections indicate that 160 million Americans will have chronic conditions by 2040, so the ICAA and its members could make a significant difference to the nation's health and bottom line. When, as an industry, we serve the older adult market better, we will encourage more people to make healthier choices—and that will change the way we age in society.

In fact, we are already seeing two emerging movements focused on the experience of aging. *One approach considers aging and anything related to this natural process as things to be treated, covered up, or eliminated altogether, if possible*—that's the approach of the *anti-aging* industry. *Anti-aging focuses on the external.* By playing on the insecurities, fears and hopes of older men and women, the anti-aging industry is making huge sums of money with its pills, potions, creams, surgical procedures and the like.

In contrast, the *active aging* approach focuses on the *internal*. It's an industry that embraces, rather than fights, the aging process, opting instead to improve this experience by promoting health, preventing disease and encouraging living life to the fullest.

The ICAA was created to be a source of credible information for professionals who believe in active aging. We provide information to help individuals and organizations support their clients effectively in this area. The knowledge people gain from this information is raising in-

dustrial standards and levels of service when it comes to aging members and residents. What we really offer are the *tools for success.*

CI: *Since you launched the ICAA in 2001, have you seen a shift in the industry's acceptance of the older adult market?*

Milner: Massive change is hard to come by, no matter what industry you are in. I'll never forget being at an IHRSA convention and hearing Age Wave author Ken Dychtwald speak. There was an electric feeling in the air. I was standing beside one of the major players in the industry and heard him say, *“I have found my direction.”* *Yet three years later he had done nothing about it.*

Don't get me wrong, change is happening; it just happens to be coming from the *fringe*—small clubs, 50 plus clubs, retirement communities, hospital wellness and YMCA's are embracing this market. The major club chains are like the Titanic steaming towards the iceberg: they know they have to change and they know the course; it just takes longer to turn a large ship.

CI: *Why do you think that is?*

Milner: *Truthfully, it's a lot of work.* What attracts the younger market does not necessarily appeal to an older clientele. Designing successful age-appropriate programs takes careful consideration and constant research. *Coming up with just the right marketing campaign demands special skill.* To ensure continued credibility and client safety, *trainers must be well informed about what exercises to recommend and which ones to avoid.*

Achieving the necessary knowledge and experience is time consuming, yet vital. Imagine how long it would take just to lay the proper groundwork for serving the “Baby Boomers” and beyond, if you didn't have access to experts and information on aging, fitness, wellness and healthcare. *That's exactly why I created the ICAA.*

CI: *Say some of our readers are interested in the older adult market. Where should they start?*

Milner: Club own-



Colin Milner The “Surfer Dude”

ers who feel apprehensive about approaching the older market should know that they aren't alone. I remember reading an article some years ago in which Diane Bonifas of Lakefront Racquet and Health Club in Celina, Ohio, described her reluctance to offer senior programming. She said this was “*because all our other classes were so upbeat and positive. I didn't care for the idea of being around a bunch of older people.*” Still, she offered a class and *the response swayed her.* The first class attracted six people, the next one drew 14 participants, “*and the rest is history,*” she said. Bonifas added that she “*had never experienced some of these great moments in life until I worked with seniors.*”

The answer to your question, “Where should they start?” is for people to start by asking themselves *if they are really mentally prepared to change.* If they aren't, *they shouldn't bother to pursue this market.* But if they are ready to change, they—like Diane—will have some of the most rewarding experiences they will ever have.

However, the amount of change necessary will depend on the functional fitness level(s) club owners choose to serve. Explanations of these levels appear on the ICAA website at <http://www.icaa.cc/stet.html>, in case your readers want more information. But, for instance, few adjustments will be required to serve elite older athletes, whereas many more will be needed for those participants just getting started. The ICAA put together a checklist to help older adults select a facility that will meet their needs. *Club owners may want to*

look at this checklist to gain a better understanding of what makes a facility age-friendly. It's also available online at <http://www.icaa.cc/consumer/age-friendlyguides.htm>.

CI: *What about the revenue potential of this market? What about their money and willingness to spend it?*

Milner: Well, there's the *statistical approach* to answering your question and then there's *real life.* Let's start with the statistical approach: The age 50-plus group has 80% of the wealth and 55% of the discretionary income; in addition, this group accounts for 50% of consumer demand and spends more than \$7 billion on Internet purchases a year. *Yet we keep offering them senior discounts, because we assume they have no money.*

The real life approach would be to poll a group of personal trainers, as IDEA does, and to see who makes up their largest market segment. *You will find that the answer is the age 40-plus market. Why? They can afford it.*

CI: *What does the future hold for our industry?*

Milner: On April 15, 2006, IHRSA/CYBEX State of the Industry report highlighted the fact that, for the first time in 10 years, the US fitness industry's growth had stalled at 41.3 million members.

How will this impact your business? To answer these questions, we first need to take a step back and look at some very important factors that are impacting this situation:

1) *The industry churns through 100% of its* (See Colin Milner page 14)



IHRSA HITS THE ROAD!

It's the IHRSA Traveling Seminar and Showcase!

Presented by the National Fitness Business Alliance and featuring Thomas Plummer

What could be better than to experience an exceptional IHRSA educational event plus an outstanding Sponsor Showcase? How about experiencing it in your own backyard? IHRSA hits the road with the legendary Thomas Plummer behind the wheel for a series of two-day events. **The best of IHRSA comes to you . . . don't miss it!**



Seminar Dates

- February 21 & 22, Philadelphia
- March 8 & 9, Des Moines
- April 12 & 13, Pasadena
- May 9 & 10, Detroit

Seminar Topics

- Competing in tough markets.
- Get the most out of sales now.
- Marketing that works.
- Retention is your financial future.
- Get more money from your members with Profit Centers
- Why the next 5 years will be your best 5

Seminars Speakers

- Michael Campetelle, Director of Sales for Body Training Systems
- Robert Cappuccio, Founder of Legacy Personal Training System
- Nikki Layke, Vice-President of Operations for The Thomas Plummer Company

Showcase Sponsors

- ABC Financial Services, Inc.
- Free Motion Fitness
- Apex Fitness Group
- Activetrax
- Association Insurance Group, Inc.
- Body Training Systems
- EFI Sports Medicine
- Fabiano Designs
- Ferret Brothers
- IHRSA
- Legacy Performance Solutions
- Nunes Apparel
- Parisi Speed School
- Perform Better
- Shake This
- The Thomas Plummer Company
- VoiceScapes

To register, call today 800-726-3506 or visit www.thomasplummer.net or www.ihrsa.org/ontheroad.



...Colin Milner

continued from page 12

members every three years (according to IHRSA, the attrition rate is 34.5% yearly).

2) In a recent analysis of U.S. Census data by the SIR Boomer Project, the 18-49 segment is "dead"—virtually no population growth at all from 2006 to 2016 (from an estimated population of 135.1 million in 2006 to 135.9 million in 2016).



Colin Milner Interviewing U.S. Surgeon General Vice Admiral Richard H. Carmona

These two facts show that to grow your membership you will need to:

1) Retain more members.

2) Attract the 50-plus segments. According to the SIR Boomer Project analysis, this group "will undergo a tremendous change as the rest of the nation's 78 million "Baby Boomers" turn 50 over the next ten years, causing that segment to increase 25 percent in size between 2006 and 2016 (from 89.3 million in 2006 to 111.3 million in 2016)."

This change should come as no surprise, as this group was the reason the industry experienced the growth it did over the past 10 years. *Bottom line; our future is GRAY!*

CI: Any final words of advice for those considering getting into this market?

Milner: Run towards the market, don't walk! Think of it this way: if you sold TVs and only 10% of the country had TVs, wouldn't you be pumped knowing that 90% of the population could buy your product? There's a similar situation in the fitness industry today. By 2010, people between ages 55 and 74 will outnumber those ages 25-

34. Why wait? - Colin Milner

CI: For the past few months CLUB INSIDER has chronicled the work of Tasso Kiriakes, Donna Krech and Casey Conrad in their attack on the obesity pandemic. Each of those in-depth cover stories include multiple ideas, tips and ways to grow your club membership from the now virtually untapped pool of 183 million Americans who are direly in need of help to save the quality of their lives

and in some cases, literally save their own lives. This interview with ICAA Founder and CEO, Colin Milner and the sidebars on this and page 16, provide excellent and wise insights about how you may go about growing your club business from this rapidly emerging seniors market. In each case, and in each month for 13 years, CLUB INSIDER has provided you with a document that will help you grow your business and to succeed in your never ending quest for improved business performance and profitability. In all cases and as we finish 13 years, CLUB INSIDER has provided education to help you. Education that, if professionally applied and implemented by you and your staff, will help you improve your business performance and your bottom line. *THAT is our Mission. But, the success of our Mission ... purely and simply is up to you ... the dedicated CLUB INSIDER reader. What you do with the education we provide will drive your club ship.* If you do read, study and utilize these teachings ... you

(See Colin Milner page 16)

The Case for Active Aging

There are two good reasons to focus on physical activity for older adults:

1. It's the right thing to do for quality of life.

Physical activity prevents or controls the most common chronic diseases in older adults (for example, diabetes and heart disease), enables people to function independently so they enjoy and grow in their lives and allows older adults to stay part of the active lives of their children, grandchildren and communities.

2. It's the smart thing to do to save money and generate revenue.

Controlling healthcare costs for private insurance, government and the consumer could save money—75% of the US \$1.66 trillion healthcare cost (2003) is spent on a few chronic diseases. Already private insurers and businesses are providing incentives for their employees and insured's to exercise because it saves them money. What can private companies and consumers do with these savings? Spend it, which raises revenue for other companies. For example, the seniors housing industry is rapidly moving to focus on activity options because these services generate revenue.

Quality of life is a top concern for aging adults, shows a 2005 poll by *USAToday/ABC News*. For the 1,000 respondents, losing their health (73%), losing the ability to take care of oneself (70%), losing mental abilities (69%) and running out of money (60%) topped the list of concerns. And these people were currently healthy—31% rated their health as *excellent* and 58% rated it *good*.

How do older adults maintain their health and their savings? Research provides a clear answer: *exercise, physical activity, healthy eating and keep a healthy spirit*. Physical activity and healthy eating can prevent or mitigate prevalent *lifestyle* diseases (coronary heart disease, diabetes, high cholesterol and hypertension). Health saves money: for the government, the individual and the businesses that care for the older adult.

Since physical activity and exercise are the solutions to older adult's biggest concerns, *why aren't more doing it?* According to *The State of 50+ America 2005* report from AARP, a leading organization serving age 50-plus Americans, only about one-quarter of older adults are physically active: 28.8%

of 50–64 year olds, 25.6% of 65–74 year olds and 16.3% of those 75-plus.

While the reasons for not exercising are complex, a simple way to look at the problem is lifestyle. *Older*, older adults have more medical conditions and lack a culture that supports exercise and activity. *Younger*, older adults know exercise is good and want to participate, but lack the opportunity.

Yet, 98% of 50-plus adults in an AARP survey were aware that getting enough exercise is important and 64% stated that physical activity was the best thing they can do for their health. *This level of awareness means that marketers do not have to establish need, but rather, show how they are providing a solution that will overcome the barriers.*

The case for physical activity is well-supported by research. What private and public organizations need to develop are the opportunities for exercise and activity.

Source: ICAA's *Active Aging in America 2005* report

Since you need insurance, why not **SAVE MONEY** and have **PEACE of MIND?**

“ Ken Reinig and Association Insurance Group have provided us with excellent insurance protection for our clubs for over ten years. We started with Ken because he saved us money and we stay with his company because their service is the best we have ever experienced. Owning three clubs is enough of a challenge without having to worry about insurance. Using Association Insurance Group has been one of the best business decisions we have ever made. ”

Mark and Karen Steinfield

Gold's Gyms of Howell, Point Pleasant, and Long Branch

If You Would Like to Save Money Now and Have Peace of Mind that Your Club Is Properly Insured Call 800.985.2021 ext 10 or For A No Obligation Quote go to www.clubinsurance.com.



Association Insurance Group

...Colin Milner

continued from page 14

will be headed toward greater and greater club success, not toward an iceberg, the direction some club operations are headed. I repeat. *It is all up to you.*

We thank Colin Milner and his ICAA Team for the opportunity to showcase their work for the past 5-years and help them celebrate their 5th ICAA Anniversary.

(Norm Cates, Jr. is the Founder of CLUB INSIDER News and publisher since 1993. Cates is a 32-year veteran of the health, racquet and sportsclub industry. In 1981 Cates was the 1st President of IHRSA and a co-founder of the Association with Rick Caro and five others. He was honored by IHRSA in March, 2001 when he was presented with its DALE DIBBLE Distinguished Service Award ... an honor that was the greatest of his life. Norm Cates may be reached at: 770.850.8506 or at: clubinsidernews@mindspring.com or at: normcates@leavingfatcity.com Look for Norm Cates' new book in print in the first quarter of 2007 as Cates is now beginning the process of revising and updating the book before printing after the New Year. Go to: www.leavingfatcity.com to view the "Leaving FAT City" chapter list and information about the author. To communicate directly with respect to your own suggestions for this book's content email your thoughts and suggestions to: normcates@leavingfatcity.com)

...Mike Grondahl

continued from page 6

and strength training equipment stations in each facility; ----5) Your service approach of providing exercise training and instruction availability for all members through regularly scheduled classes that teach new and existing members how to work out safely and effectively on the equipment provided in the Planet Fitness facilities.

If you agree, please comment on any or all of the above as you wish and add any other factors I may have omitted.

Grondahl paused and

The market forces that are driving older adults—and the product and service companies that provide for them—require that organizations rethink their strategic planning. Key forces include:

The demographic. The population of older adults is large now. And, the exponential growth is astounding. The number of adults age 65 years and older will more than double to over 71 million by 2030. *Ages 85 and older are the fastest-growing segment.* The "Baby Boomers" number 77 million today, including the youngest Boomers. *However, chronological age is an ineffective method for describing this demographic, since a person at age 85 can retain the functional capacity of a person at age 45.*

The psychographic. No longer

said, "I'll start at the top, but basically, all of those things, to a degree, are true, with the exception of the \$5.99 membership. We tried a \$5 a month membership once for a short period of time and we sold them like crazy, but it was just too low. What I've found is you just can't go below \$10 and have any positive economic impact on your business. The majority of our clubs have an average monthly dues of \$14.71 per month. Some of our clubs, like Jerry Mastrangelo's in Branford, averages over \$17 per month. But, they usually range somewhere between \$12 and \$17 per month.

Market Forces

are 50-plus adults a homogenous group (if ever they were). The attitudes and buying habits of the leading-edge "Baby Boomers" differ from those of their parents as well as those of the younger Boomers. Aspirations, lifestyles and attitudes about spending are as diverse as the age groups. Older adults, particularly the "Baby Boomers" who are just turning 60, do not perceive themselves as seniors who retire. They plan to work (whether from choice or necessity), volunteer and stay active.

The economics. While older adults control an enormous amount of dollars (often tied to the equity in their homes), they also are the largest expense in health-care. *People over 65 account for almost one-third of total US healthcare expenditures or \$300 billion each year. Without*

greater emphasis on prevention, health-care spending will increase 25% by 2030 simply because the population will be older. Excluding inflation these costs can be dramatically mitigated by physical activity to control chronic disease.

On the other side of economics, people over 50 own 67% of the nation's wealth and have more than \$28 trillion in assets. In 2001, those 45 years and older accounted for 52% of all consumer spending in the United States (\$2.28 trillion). There is more money flowing down the pipeline in the future. The intergenerational transfer of wealth between 1998 and 2052 is estimated at \$41 trillion, with \$7.2 trillion transferring to the Boomers and the rest transferring to their children and to taxes.

The messaging. Many current

images of older adults seem to bounce between the frail, medically impaired elder and the thin, surgically remodeled person or feature youthful, muscular people draped across equipment with a headline that says: "for the older adult." *None of these images is accurate and none carry an appeal that resonates with older adults who prefer images of normal people in comfortable clothing.*

Messages aimed at ability, activity, enjoyment and social interaction to address value and benefits are more likely to be successful to a group that does not measure themselves by chronological age, but instead by what they accomplish.

Source: ICAA's Active Aging in America 2005 report

I would like to comment on one thing here. I've been to Thomas Plummer's seminars and I've read books, etc. The message I've heard over and over from the industry as a whole is clubs must service their members and they all claim that we don't service our members.

I was just reading an article on the internet the other day as we're starting to get down into New Jersey. The gist of the article was: "We'll see how long they will last." But, I'll tell you I have been doing low price in a town of 28,000, we have over 11,000 members and I've been doing it since August of 1992. But,

the myth that we're going to run out of people to sell to ... that's just not the truth. We believe that if we have all of the right niches in place, Curves, Planet Fitness, World Gym, Equinox, Dave Barton-like gyms, if we have a fully segmented market in place, like the car market, for example, I believe we're just entering into a phase right now where we are starting to see the fitness industry develop.

A lot of people who've had a problem with our model to begin with is because we're more of the first WalMart in the health/fitness industry to ever exist. We're really the first one that

has become the WalMart of fitness, but the point I want to make is we have a very simple rule when it comes to servicing our member. This is what we expect. Do we always get it? I hope so, but probably not. But, this is my definition of service: I say service in the Planet Fitness model is: "Hello ... keep the club clean ... goodbye."

Do you know that at all of our corporately owned locations we do not have scanner systems in place? We ask for the member's number, we say "Hello", we type it in, we say, "Have a great workout." Even though (See Mike Grondahl page 18)

Pound for pound, your best value in free weights



The InTek Strength Promise

At InTek Strength, your complete satisfaction is our top priority. When you work with us, you can expect:

Safe, durable, quality products
The technology involved in the engineering of our products is second to none. The InTek Pro-Solid Urethane dumbbell is simply a work of art, and you'll find that same attention to quality in all our weight plates, barbells and dumbbells. We're so confident in our entire product line, we'll match our warranties to any company selling a comparable product.

Friendly, knowledgeable staff
We understand the different needs of different fitness facilities. Our experienced staff focuses on your individual situation and the needs of your facility. No cookie-cutter approach here. We

are personally committed to providing you the best product solutions and financing terms to serve the needs of your business.

Fast quotes, on-time delivery
You're just minutes away from any quote. And with 1.5 million pounds of product in inventory, our turn-around time is nothing less than exceptional. Our goal is to make sure we can deliver your product when you need it. And, yes, we've been known to perform a miracle or two along the way.

We invite you to contact a member of our customer service team today and find out why InTek Strength is quickly becoming recognized as the industry's best value in free weights. Please call toll-free at 866-996-3825.



Pro-Solid Urethane

Solid steel encased in urethane, no end caps or bolts, custom logos available



Pro-Urethane

Urethane encased Olympic weight plates, dumbbells and barbells



Pro-Rubber

Virgin rubber encased weight plates, chrome handles, urethane end caps



Pro-Steel

Steel weight plates, chrome handles, urethane encased end caps

INTEK STRENGTH

www.intekstrength.com

866-996-3825

Innovation & technology in free weights

...Mike Grondahl

continued from page 16

it would be much easier on us to do it that scanner way, we refuse to put card swipe systems in. We refuse to put in turn-styles. And we refuse to put in juice bars behind the front desk.

CLUB INSIDER

– The real key you're zeroing in on here Mike is that you, although you've been growing very rapidly, have kept the basics ... the blocking and tackling that should be done ... the "Hello", the clean club, the "Goodbye." It sounds like Red's in this respect.

CLUB INSIDER

– Mike, I find your comment very interesting and feel it will be very valuable for our readers. Over the past 30 years I've gotten to know pretty well Red Lerille of Lafayette, Louisiana. Red has been in business in 44 years.

He has only had one club for all those years. It is a giant and rules his market. But, every time I've ever heard Red speak, he always says basically what you just said. He always says, "Never forget to tell them "Hello" ... and ... "Goodbye". And, keep it clean." Unfortunately, in our industry now with many operators, that spirit in our industry has been lost. Congrats on adopting this service ethic in Planet Fitness and maintaining it! You're talking about PRIORITY ... and YOUR PRIORITY is to say "HELLO!" to your members and guests who walk in.

Q.- How many members does a Planet Fitness facility have, on average? What is the average Planet Fitness EFT total each month?

Grondahl – That question needs some caveats along with it because you've got to remember that last year

we had 49 locations, now we have 120. The caveat is that for any club that's been with us two years or more the average number of members is 9,000 and the average EFT is \$100,000 a month or thereabout. Our largest EFT in the chain is for a 20,000 sq.ft. gym that has 17,000 members and \$220,000 per month EFT. They will track probably 2,200 to 2,300 workouts per day.

Grondahl – Let me add one item before we move on. We've started putting "30-minute circuits" in. I think a portion of the women that might have been going to Curves are coming to Planet Fitness now. Some of the women who've gotten started at Curves have now graduated to Planet Fitness! And, since we're pretty much open 24 hours a day, we're getting significant Curves cross over. Don't get me wrong. I am not bad mouthing Curves. I think that Curves is a good thing for the industry. I think it's the first step. I think our industry started backwards. I think the Curves model is where the industry should have started. I think that's why our industry is a little bit screwy because it was started 40 or 50 years ago with the really hard-core body builders. I don't have a problem with the hard-core body builders. I just never saw a way where people ever could become acclimated to regular fitness by going to a hard-core gym.

Q.- Planet Fitness has been viewed in two primary ways by many industry

leaders and veterans. Some feel, (and I am amongst this group), that you are doing a good thing by getting so many people who previously were totally non-exercisers, to become involved in exercise, because you've made it so affordable.

And, others feel your \$10 per month price point is not good and in fact, is bad for the rest of the industry.

What do you have to say to both factions?

Grondahl – Well, obviously I agree with people who agree that we are good for consumers. But, we not only get non-exercisers, we get many regular exercisers. I think some club people really miss, but should realize, that the industry has not evolved with the demographics and the social trends in America. Since 1992, we've competed and coexisted with a top end player, George Viera, who owns The Works in Somersworth, N.H.

George and I both make money and I think we both do a good job. Now that I have a full-blown family, I want to join his place! But, when I talk about the social trends, when you think about a higher priced club, say a \$39 or \$59 or higher per month club, it doesn't make sense for a lot of the population in America. When the divorce rate is 50%, when the parents are working two full-time jobs and are trading off the kids several days a week, how does it make sense for the parents to pay \$59 per month, when they can only

afford the time to go to their club once a week?

At Planet Fitness, we may not offer all of the services that people may want, but we're giving them an option that economically makes sense for them.

I think the industry, as a whole, is turning a blind eye on that.

CLUB INSIDER – I could not agree more Mike. I think the social commentary you're making is huge. In this world, every field has its visionaries. You are one of those visionaries that is on the leading edge in your thinking. I am just saying that I am listening carefully to what you're saying. And, I agree.

If you've read my writings, I wrote a NORM's Personal Notes about a year or more ago about how obesity is feeding and is a big cause of America's 50% divorce rate. I wrote about how America's new husbands and wives sometimes do a "Bait and Switch" on each other. I wrote that when they get married the man is often slim and trim, has all of his hair and looks great! His brand new bride is a size 6 and hot as hell. Then marriage sets in. One or both of them gains weight ... often a LOT of weight ... thus one or both are NOT what was advertised when they got married. I wrote that I think obesity is not just a national crisis because of the impact it is having on the health of Americans. It is a national crisis that is a HUGE factor in our now 50% American divorce rate. I believe our industry has an obligation to get Americans moving and Planet Fitness is clearly doing that.

– Mike, you're one of a few people I've talked to in this industry who truly is thinking deeply about the social implications of America with respect to their very important and true relevance to his club business model. What you're really saying on the "inside" of this story is that the health club industry should be about humanity, not just fitness.

Grondahl – I have this to say to the second faction, those who say that Planet Fitness' \$10 price point is "bad for the industry." I think they are being selfish. What (See Mike Grondahl page 24)

A Message from

Fitness Management & Consulting...

When The Going Gets TOUGH The Smart Get Help™

What's been your experience with training programs? Did some group or some person come to town, share some selling tips with your people, and get them interested? Then, after he or she left town, did your people return to their old ineffective ways of selling?



Jim Thomas

We can change all that for you - by delivering highly effective training that measurably increases your membership sales results. Here's a comment from one of our clients:

"As an owner of an independent club, I found myself somewhat isolated within the world of health clubs. Jim gave me a window into the entire industry. In doing so, he was able to directly affect the large increase in our sales and to streamline our expenses. The end result was a 22% profit margin. If you can get him, get him!!"

What do we do that's different? We provide topnotch training combined with regular follow up training with each member of your team. This follow through reinforces skills and measurably increases your sales results.

Whether you operate a health club, fitness center, gym or other type club, Fitness Management and Jim Thomas have a program to fit your need, expand your market base, and keep your members and staff productive and enthusiastic. Jim Thomas may be reached at 800-929-2898, jthomas@fmconsulting.net or www.fmconsulting.net.

CLUB BROKER

"I specialize in selling clubs"

Todd D. Lipton

480-821-8993

HealthClubBroker.com



“We’re on a Mission...

to show you and your members how to have health, hope and opportunity in the money-making facility of your dreams.”



I'm Donna Krech. I've been in the weight loss and fitness business since 1982, and ownership since 1986. Since September '04, we've dedicated ourselves to helping clubs see the income they'd hope to see. IT'S HAPPENING - CLUBS ARE NETTING 100K! THERE IS HOPE! You CAN do this. Let us show you how!



“The best thing about having Thin&Healthy’s Total Solution® is it has opened up my market to everyone. Having the Total Solution gives me the competitive edge I need over the competition.

The knowledge I’ve learned from Thin&Healthy about marketing, hiring and leadership was worth every penny I invested. I’ve seen more people get their results than the other 13 years I’ve been a club owner, not to mention my monthly EFT has increased from \$29.50 to \$68.00!

- Tony Chappie
Thin& Healthy Licensee
Total Fitness Owner

With low to no investment we’ll show you how...

\$2,000.00

\$4,000.00

even \$8,000.00 monthly

has been added to the bottom line of many clubs. Our weight loss component brings in more members, generates income from existing ones, guarantees results using real food and **IS EASY TO IMPLEMENT!**

- IMMEDIATE CASH FLOW
- PROVEN SYSTEMS THAT WORK
- DOUBLE, TRIPLE EVEN QUADRUPLE INCOME
- MARKETING TOOLS PROVIDED FOR YOU
- MOTIVATIONAL SUPPORT TEAM
- ENERGY ADDED TO FACILITY

Mention CLUB INSIDER and We'll
WAIVE YOUR LICENSE FEE

419-991-1223

-OR- EMAIL US...
mbigler@thinandhealthy.com

Joe and Heather Graves The “Stars of Vitabot”

By Norm Cates, Jr.

Joe and Heather Graves are a wonderful young couple who have intensely focused on helping health, racquet and sports-club members and the worldwide population learn to eat properly and well.

Joe and Heather Graves, the “Stars of Vitabot”, (the company they cooperatively founded and operate) are two terrific people you all should meet. And, before you meet them you should be in touch with them through their website: www.vitabot.com and by phone. I have been getting to know Joe and Heather for a few years now. I am pleased to showcase their Vitabot product because it provides a sure solution to a big need in clubs, proper nutritional guidance and help for members. And, given that we all now live in a world immersed in an obesity pandemic, proper nutrition is an extremely important worldwide subject.

Joe Graves’ amazing experience and background in NASA has allowed Joe and Heather to produce a revolutionary technology, Vitabot, from two disciplines: nutrition and robotics.

Vitabot, is a carefully crafted service program that will help you attract new members, serve your existing and your new members better, and it will provide your members with a great ser-



*Joe Graves Experiences
NASA Training*

vice to tell their friends and neighbors about, thus drawing them to your club. *All of this will lead to increased new membership sales and retention for your club, thus increased club profits.*

Vitabot provides cutting edge, yet operationally simple, technology for health, racquet and sports clubs in one of the most underserved aspects of the health/fitness club industry: proper and professional nutritional guidance for men and women everywhere.

I conducted an e-interview with Joe and Heather and those questions and their responses appear below. After getting to know them and carefully watching their efforts and progress with Vitabot, I am very pleased to be able to share their story here with you today.

Vitabot is an amazing story rooted in Joe’s previous career as a NASA engineer and scientist. Learn here how he has combined nutrition and robotic expertise to create and deliver Vitabot to your club(s).

Q. - Heather, how did you and Joe meet and please describe your husband/wife Vitabot Team. **Heather Graves-** Joe and I met in church about 10 years ago. My grandmother highly recommended dating Joe. To make a long story short, *I DID!* Our working relationship is great. Actually, since Joe and I work in completely different departments we really don’t see each other very often during the day. Thankfully we’ve also *made it a rule not to talk about business after 6:00PM.* This has helped us keep balance in our lives and has made us stronger partners in our marriage as well. I’ve noticed many health club owners are husband and wife. Just like the health clubs, we couldn’t do any of this without our team. The team here at Vitabot is fantastic and we feel blessed to have each one of them. We hope that when clubs become our customers they can truly

feel part of our family as well.

Q. - Joe, please describe briefly your NASA experience and how that helped shape the development of your Vitabot company? When did you launch Vitabot?

During my graduate education in space robotics, I was also blessed to lead a team of engineers in the development of Ranger NBV, a 2000-pound space robot that was funded by NASA Headquarters. The Ranger robot was designed to orbit the earth and complete complex operations such as space station construction or repairs such as those required for the Hubble Space Telescope. During the development of the technology and mission planning, I was privileged to work with many members of the flight crew and to even work in space suits in NASA’s underwater EVA simulators. It was quite an amazing experience (go to www.vitabot.com and click on Background or try Googling “Ranger NBV”).

After the loss of the Space Shuttle Columbia several years ago and realizing that the Ranger mission would be delayed for quite a few years, I decided to take some of the “down time” and use some of the advanced methods and approaches from robotics to solve a very important problem of society: the lack of proper nutrition for millions and millions of Americans and others around the world.

Q. - Please explain what does robotics has to do with nutrition? **J.G.** - “Vitabot”, is a combination of the sciences of nutrition and robotics. Try answering this question: Based on your age, gender, and goals, how much Omega 3 do you need? How much is too much? The answer to these questions and many, many more, are contained in the massive reports (nearly 4000 pages) published by the Institute of Medicine of the National Academies of Science every 4 years.

The problem has been applying all of this data to your life in a very simple way. In the same way that a computer can use artificial intelligence to play chess, Vitabot works with your members. Vitabot analyzes their eating habits and helps them learn to make only the changes that they need to better conform to the complete nutritional standards for their unique situation and goals. And it’s not just a powerful solution. It’s also great fun to use and extremely eye-opening for beginners and experts, as well.

Q. - How does your Vitabot technology help people eat better?

J.G. - The problem with the way things have been done in the past is that pre-planned meals are hard to follow in real life. And, most people have been focused primarily on things like calories or “carbs”. *The goal of Vitabot is to completely analyze your member’s eating habits and find nutritional deficiencies.* Then Vitabot, in a very simple way (patent pending), works with your members to use their favorite foods to fill the wide range of nutritional voids. A quick demo is available on the front page of our website: www.vitabot.com We then take this revolutionary technology and let club owners private-label it ... in other words, you don’t supply “Vitabot” to your members... *you name the service what YOU want and provide it under your own club logo.*

Q. - Why should club owners investigate and become involved in Vitabot for their members? **J.G.** - I’ll give you *two excellent reasons.*

The first reason is that as a health club owner/operator, your job is to make people healthy. How is that done? Through *exercise and nutrition.* I know virtually all health clubs operators know very well what they’re doing about exercise already ... but, the question is this: what are you currently doing about your member’s nutrition? If



Joe and Heather Graves

you don’t have a good answer to that question, we can help you put together a comprehensive solution that requires very little overhead, training or setup time.

The *second reason*, which is very good from a financial perspective, is that *consumers are very interested in diet and nutrition.* And, consumers are currently spending a massive amount of money in this area. The diet and nutrition market is estimated to be ten times or more, as large as the entire health, racquet and sports club industry.

Q. - How does Vitabot create new income for club owners? **J.G.** - While some club owners directly up-sell Vitabot to their new and existing members, the majority elect to use it to *drive the core areas of their business.* Core areas such as marketing, corporate accounts, new membership sales, personal training and retention.

Marketing is improved by drawing new members from the massive diet and nutrition market.

Corporate wellness programs are currently under great pressure to find solutions for employee nutrition. When your club offers a real nutrition solution, it helps you gain access to big new corporate accounts.

For new membership sales, nutrition is the key for many individuals whose inter-
(See Graves’ page 22)

Is your club's nutrition program starving for attention?



hungry for a solution?

We all know that exercise and nutrition are both extremely important to our members achieving successful outcomes. Well, imagine your health club had no treadmills! That's what it's like when you don't offer at least basic nutrition tracking/meal planning for your members.

VITABOT allows health clubs to fill this massive void in their member services. For several years, VITABOT has been emerging as the "treadmill" of nutrition, by providing a private-labeled service that delivers nutrition tracking and meal planning to your members through your club's website.

Since diet and nutrition are of such great interest to potential members, hundreds of health clubs are now successfully using VITABOT to bring in more new members, drive personal training revenue and improve member results and retention.



Vitabot is an intelligent food journal that helps your members improve their eating habits.

- Private Labeled
- Your Logo. Your Website
- Drive New Revenue

www.vitabot.com

301-864-3886

info@vitabot.com

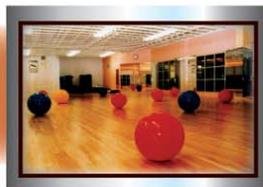
OPTIMAL DESIGN

SYSTEMS INTERNATIONAL

“One of the World’s Leading Design Firms in the Fitness Industry”

Interior Design + Renovations + Consulting

Optimal Design is known for "profit designing". We have the ability to create beautiful and exciting award winning facilities that increase sales and retention yet are inexpensive to build. This results in more revenue, less debt and therefore more profits. We have created approximately \$400 million dollars worth of facilities in 45 states and 25 countries. ODSI is associated with Optimal Fitness Systems International, the world's leading consulting firm specializing in club start-ups and therefore we understand club marketing, sales and operations better than any other design firm. All of this results in the best possible design, stimulating décor and increased profits for your new club or renovation.



Bruce Carter
brucecarter@bellsouth.net

optimaldesignsystems.com

Tel: (954) 385-9963
 Fax: (954) 385-6120

...Graves'

continued from page 20

est in exercise is only marginal. Some club owners choose then to attach the service to a premium, higher-priced club membership or to extended contracts or to personal training services, while some provide the service complimentary to all members.

Most of these operators discourage personal trainers from providing nutritional counseling to members. That is because Vitabot provides a powerful solution to this problem that can help your trainers by combining exercise with completely personalized nutrition. This combination produces amazing results for their clients.

Higher member retention rates follow, but that goes without saying, because better and proper nutrition and exercise together produce far better results for all people.

Q. - How is Vitabot implemented in clubs and how long does it take to be in operation?
J.G. - The setup process liter-

ally can be completed in less than an hour. You send us your club logo and we then private label our web-based service so that it appears and broadcasts an image that *you developed it as a part of your website*. You add a link to your website and you're all set up. Vitabot is turn-key. Administration is also straightforward. We provide you with sheets of paper with activation codes. Each code activates only one member nutrition account. Simply give the codes to your members and send them to the website. The website walks them through a *simple tutorial* and helps them get started.

Q. - How does Vitabot serve as a retention tool?
J.G. - It all really comes down to this...if you're not delivering results for your members, then they're not going to stay around. So, as you all know, understanding how to deliver results for your members is extremely crucial. Most weight loss experts estimate that results are over 50% attributable to nutrition. Because of this fact, *it makes complete sense*

to provide the best possible tool to your members for delivering on the nutrition side of the equation: Vitabot.

Q. - How many clubs is Vitabot now in and who are some of your top Vitabot club operators?

J.G. - Our first client was Sport and Health Clubs, a large chain of about 30 locations in the Washington, D.C. area and Eastern US. We consider them to be great friends. Since then, we have rapidly expanded over the last several years and we now are in hundreds of health clubs and chains, along with universities, hospitals, resellers and corporate Wellness programs. In addition, other suppliers in the health/fitness club industry currently private-label our technology to save the very significant expense of a new major technology development and the cost of continually maintaining and advancing state-of-the-art of nutrition.

Q. - How may our readers proceed NOW to investigate and immediately involve Vitabot in their clubs?

J.G. - Well, even if your readers are currently providing some form of a solution for member nutrition tracking and planning or if they are not, we can have clubs up and running in a matter of hours. They can contact our team at 301-864-3886 through our website at: www.vitabot.com (click on "Contact Us").

CLUB INSIDER- In *NORM's Notes* this month I wrote that: **trust, evolution, differentiation and niche** were words

to remember *now* for all club owner/operators. Especially, independent club owner/operators. **Vitabot will build** member and community **trust**, it will be an important new step toward **evolution** for your club, it will **differentiate** your club from your competitors and it will help you grow your club's market **niche**. These are four words for the wise here. **STAY TUNED!**

- Norm Cates, Jr.

Norm Cates®
THE Club Insider
 NEWS

Seeks Contributing Authors!

Contact Norm Cates
 (770) 850-8506
 or Email:

clubinsidernews@mindspring.com

MAKE IT FUN!



THE POWER OF A FOLLOW-UP SYSTEM

THE SCENARIO.

A prospect walks through your front door, is shown your facility and given a powerful presentation by your most effective membership co-ordinator, yet despite her best efforts, the prospect needs to "think about it", as happens in perhaps 3 out of 10 prospects who are toured...the universal "be-back".

“ Our Prospect Connect module is truly a better way. ”

And traditionally, we've had the salespeople within our facilities follow-up these "be-backs" with a phone call(s). As we know, the sales team doesn't particularly relish picking up the phone and, truth be told, the prospect doesn't really appreciate the phone call... so just how effective is that particular "system"?



THE SOLUTION.

Our Prospect Connect module is truly a better way. Your sales team will now have an automatic way to reach these clients with professional, lifestyle based messages branded from your club and "signed" by your team, sent on predetermined days or whenever you wish. You can even write your own messages if you choose. With attached articles from the award winning content we place on your website every month, these messages will ensure your club will be the club of choice when that "trigger moment" arrives. Simple and Effective. The Greenmaple Wellness way.

**EDUCATION. COMMUNICATION.
SALES. RETENTION. REPORTING.**

Shawn Vint
President
Greenmaple Wellness Communications

“ Green Maple Wellness has been a great asset for our organization. Their communication tools make it easy for our staff to be able to keep in contact with prospects and members alike. Easy to follow tabs and data entry fields make it easy for even computer illiterates like me! With the Member Connect our members really enjoy the content delivered on a monthly basis. Another great feature is the Prospect Connect. With this feature all of the hard work is done for us, and the pre-designed letters that are sent out are fantastic and allow us once again to stay in contact with our prospects without coming across as high pressure....or we can customize our own letters and promotions in minimal time and effort, but with maximum results. One final thing about the Green Maple Wellness team is their commitment to make things easy. They take our suggestions and make them a reality. It's like having a computer guru on staff. The staff that they have are tremendous, and should be commended. ”

Christopher Carmichael // Popeye's Gym and Fitness LTD. // Kitchener, Ontario, Canada

10 Kenmore Ave. Unit #3
Stoney Creek, Ontario
L8E 5N1

Toll Free (US and Can): 1-888-355-1055
www.greenmaplewellness.com
info@greenmaplewellness.com

...Mike Grondahl

continued from page 18

they're really saying is that Planet Fitness' \$10 per month price point is "bad for their club business." What you're seeing now is that this industry is consolidating and consolidating fast. You would not believe how many contacts I am getting from investment bankers. It is almost daily. Big money is interested.

CLUB INSIDER

– Mike, they're following humanity. The money is following society. The money is coming to you to talk to you because you are involved with humanity and society in your mind. Have you read my book "Leaving FAT City" yet? Well, when it is printed after the first of the year, get it and read it Mike because I am deeply into this thinking about humanity and societal thinking in my book.

Q. - Who are some of your top Planet Fitness operators across the land?

Grondahl - That's a tough question for me to answer, Norm. The two I will mention are some of our earliest franchisees and they are the most successful because they have been doing it the longest. Joe Pepe in Connecticut had 4 clubs when he began and has 11 now. Jeff Innocenti in New York had 3 clubs and now has 9 clubs. Jeff has the club that has 17,000 members in the 20,000 square-foot club. Those are our two leaders and I think everybody in our organization would agree that they are.

Q. - Why did you and your backers acquire World Gym International, Inc.?

Grondahl - To me, it's almost like the American consumer needs to start at a Curves or Curves knock-off, then they need to "graduate" to a Planet Fitness and then from Planet Fitness they need to "graduate" to a World Gym. That's why I sat down with Mike Uretz. We agreed that's the way the industry is going and that's why we made the deal.

I truly think and believe that someday we can get to 50 or 60% of the population belonging to gyms. They just need the right offer! Look at Curves. They came out of nowhere. They made an of-

fer nobody else had made and that was phenomenal.

The short-term, 18-month plan is that we're going to buy some of the corporately owned World Gyms. And, we are either going to open new green field gyms or we're going to buy some existing gyms and convert them over to World Gyms. We're even going to compete with some of our corporately owned Planet Fitness Clubs with a World Gym so that we can prove to the industry that when you segment the market we can co-exist and all be profitable. We're looking to take the good stuff that we've done with Planet Fitness and apply it to World Gym. I really believe that we will be able to grow significantly the total number of people that belong to health clubs and that work out.

CLUB INSIDER - I think you and Mike Uretz have figured it out well. Frankly, it is sad to say that we still have thousands of gyms in America that are hard-body focused ... focused on what today is maybe at best, 2 or 3% of the potential market. That's one big reason why there has been such massive growth in the numbers of new health/fitness gyms/centers/clubs in the last 20 years. The market emerged for the "regular" person who wished to become fit. You're going to hit that big time with this combination now.

CLUB INSIDER - the following question led to a response from Grondahl that I wish to address. This is HIS opinion. There are many others who will disagree with his forecast. I will simply say that I am not sure if the consolidation he is describing is as massive now as he depicts it. I do know there are a lot of conversations going on though. With respect to the 50% of the population Mike forecasts, I will only say: "I sure do hope so!"

Q. - Describe your vision of what the health/fitness club industry will be like in 5 to 10 years?

Grondahl - I believe it will be much more consolidated. You're probably going to have 3 or 4 more public companies. As far as Bally is concerned, I hope that they can get themselves rebranded with a model to work off of. They're

very important to the industry. But, they've not been doing the best of jobs for the industry when you compare them to two other public companies, Life Time Fitness and Town Sports International, as their stock is doing well. Obviously, LA Fitness will be going public. Right now I'd say that 20% of the industry is owned by maybe 5 or 6 club chains. I think you're going to see that go up to probably 60 or 70%. The Mom and Pops days are over. Making money there is over.

Just like Thomas Plummer says, "You have to have a niche and you have to fill it well." Thomas and I don't agree on pricing. But, I agree that Thomas has a pretty good eye on what is going to happen in the future. I just think his vision is 10 years too soon. I think that we will get to 50% of the population working out by the 10-year mark. And, I really, really would like to see the government get involved by giving tax credits. Why spend all the money on the back end on the medical side, when you can spend it on the preventative side where it will be much cheaper to belong to a health club than to have open heart surgery. You know what I would say to IHRSA, not that it would mean much, I think IHRSA should become much more segmented. Predominantly, when you read CBI now, something is missing to me. I think they should have somebody to help the Curves and Curves knock-offs become successful. They should have somebody writing about the fitness-only market. I think IHRSA is doing a good job with multi-purpose clubs and helping the big-box guys and the multi-purpose guys a lot. But, I don't think they have really segmented themselves well enough to really reach out to the smaller guys. The way the industry is going to grow to 50% of the population working out will be by IHRSA leading the industry in that direction. If they are going to lead the industry in that direction, IHRSA will have to become more segmented.

CLUB INSIDER

– Mike, your idea is a good one for IHRSA.

Q. - Mike, my last question is about Bally: "Do

you have conversations going on with Bally that might lead you to be one of the acquirers of some of their locations?"

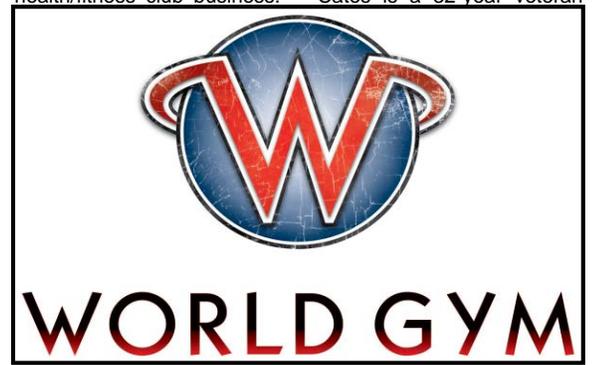
Mike Grondahl replied, laughing..... "I would love to be the CEO that turns Bally around. Anything HUGE in business I like. But, I can't say a word. I can only say we are, to my knowledge, one of the only chains that can make money on the low price membership. That's all I can say."

CLUB INSIDER - I wrote at the beginning of this piece and commented herein that Mike Grondahl is a visionary. I will write here now about another visionary ... a man who has truly changed the worldwide landscape in the health/fitness club business.

years?

Mike Grondahl has a vision. He is moving his vision forward with a very bold move that was just completed. That move was his acquisition of World Gym International. Don't sell Grondahl short. Do not be surprised one day when you read he has 3,000, 4,000 ... shoot ... 10,000 or more locations in the new organization he is building. He has the mind. He has the talent. But, he might have your doubt now. Don't doubt the man any longer. And, please don't doubt these words too much. **STAY TUNED!**

(Norm Cates, Jr. is the Founder of CLUB INSIDER News and publisher since 1993. Cates is a 32-year veteran



World Gym's New Logo

His name is Gary Heavins. He is the Founder of Curves International. Curves now has 10,000 clubs with 4 million members in 42 countries.

Heavins and Grondahl, very interestingly, have something in common. Something that was very tough in their lives. Both of them were on the ropes during their first forays into the health club business. Heavins emerged and is rolling, rolling, rolling. Grondahl emerged and is just setting out on his journey to realize his vision. Grondahl's vision is huge. I like that. It fits with and matches mine for our industry.

Both Heavins and Grondahl also have one other thing very much in common. Both of them used our American society and ... careful study of the human mind and its emotions to build their empires. Heavins is way ahead of everybody in the world on his journey. Grondahl is now well on his way to someday becoming another Gary Heavins, or can I say now ... even bigger in 10 to 15

of the health, racquet and sportsclub industry. In 1981 Cates was the 1st President of IHRSA and a co-founder of the Association with Rick Caro and five others. He was honored by IHRSA in March, 2001 when he was presented with its DALE DIBBLE Distinguished Service Award ... an honor that was the greatest of his life. Norm Cates may be reached at: 770.850.8506 or at: clubinsidernews@mindspring.com or at: normcates@leavingfatcity.com Look for Norm Cates' new book in print in the first quarter of 2007 as Cates is now beginning the process of revising and updating the book before printing after the New Year. Go to: www.leavingfatcity.com now to view the "Leaving FAT City" chapter list and information about the author. To communicate directly with respect to your own suggestions for this book's content email your thoughts and suggestions to: normcates@leavingfatcity.com

“Double our personal training sales???”

“Yeah right, when pigs fly.”

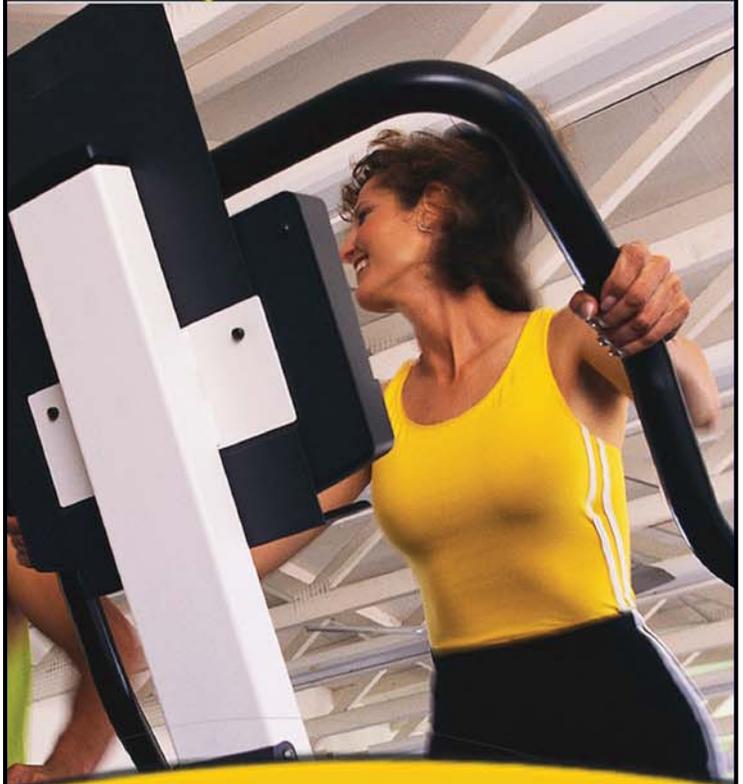


Still using a flip book to sell?

Why is the most important piece of equipment in your club so out-of-date? Visual Fitness Planner (VFP) is an interactive, customized sales system. Our technology combined with your system is guaranteed to increase your profits.

Call or email today to schedule your live demonstration of the Visual Fitness Planner!
877.837.1212 info@vfp.us www.vfp.us

Insuring Your Peace Of Mind



Specialized Coverages for the Fitness Industry
Studios • Health Clubs • Associations

Lower Rates on Property & Liability
Workers' Compensation and MORE
Easy Access to Service & Quotes



Apply Online Today!
www.fwidirect.com

866-557-2842

License #OD28716

How Do You Check Out as a Health Club Owner?

By Jim Thomas

I was recently speaking with a health club owner about his business. He had gone from health club employee to now, *health club owner*. He told me that being in the "hot seat" was much different than just being concerned about himself or his department each day.

As we talked, it got me thinking about *what it takes to be a successful owner of a health club...* and some of the things that must be done in order to have success in this business.

One thing is for sure, there is *no way to eliminate all the problems* that are associated with running and operating a successful health club. However, you can improve your chances of success with good advance planning, daily preparation and surrounding yourself with people who are better than you are at what you're asking them to do. A good starting place is to evaluate your strengths and weaknesses as the owner and manager of a health club. Consider each of the following questions.

Work ethic ... are you a self-starter? *If it is to be, it is up to me.* It will be up to you, not someone else telling you, to watch the budget, develop marketing programs, get the sales, organize your time, train your staff and follow through on daily paperwork. On a scale of 1-10, how would you *rate your drive to succeed?* Of course, everyone wants success, but are you willing to step far enough out of your comfort zone to achieve success?

How well do you get along with a variety of different personalities? Health Club owners need to develop working relationships with a variety of people (perhaps even a cast of characters) including club guests, members, vendors, staff, bankers and professionals such as lawyers, accountants or consultants. Can you deal with a demanding member, an unreliable vendor, an angry caller, cranky sales person ... *all in the best interest of your club?*

How good are you at making decisions? Health Club owners are required to make decisions constantly,

often quickly, under pressure and independently. The job of "owner" requires wearing a *lot of different hats...* plumber, janitor, salesperson, bookkeeper, trainer, developer, even psychologist ... *all will require decisiveness.* Act, *don't react, is a good reminder.*

Do you have the physical and emotional stamina to run a health club? Many health clubs are open from 5:00 am - 10:00 pm during the week. What will happen when your front desk person (who is also your opening person) is late or no-shows? No salesperson for the evening shift? A new member needs help? Health Club ownership can be (and is) challenging, fun and exciting, but it's also a lot of work. Can you face the potential demands of 12 hour work days six or seven days a week?

How well do you plan and organize? History shows that many health club struggles or failures could have been avoided through better planning. Good organization of monthly financials, better inventory control,

keeping an eye on schedules, tracking all guest and telephone inquiries and completing daily sales reports can help avoid many pitfalls. It's good to remember *"what gets tracked, get's done."*

Is your drive strong enough to maintain your motivation? Running a health club can wear you down. If you don't believe me, just ask around. Some health club owners feel burned out by having to carry all the responsibility on their shoulders. Strong motivation can make the club succeed and will help you survive slow-downs as well as periods of burnout. We talk a lot in sales training about *Super Objective Selling* ... understanding the *real reason* the guest is in your club. What is *your Super Objective* as the owner? Why is it important to you? Understanding your own personal Super Objective will help fuel your drive.

How will the health club business affect your friends, family ... your sense of balance? *Running a health club can be hard on family life.* The strain of an unsupportive spouse, friends



Jim Thomas

who don't understand ... may be hard to balance against the demands of running a health club. There also may be financial difficulties until the club becomes profitable, which could take months. You may have to adjust to a lower standard of living or put family assets at risk.

How did you check out?

(Jim Thomas is the President of Fitness Management and Consulting. See Jim's ad on page 18. Contact Jim at: 800.929.2898 or email: jthomsa@fmconsulting.net or www.fmconsulting.net)

VENTURE
 FITNESS

PRODUCTS & SERVICES
 FOR THE BUSINESS OF FITNESS

UPGRADE NOW
 TO THE
 STAR TRAC PRO

FEATURES

- ★ Built-in Fans
- ★ Heart Rate Monitor
- ★ Multiple Programs
- ★ Soft Running Deck
- ★ Elevation 0-15%

ONE GREAT TREADMILL
 ONE GREAT PRICE

"If you think you're tired of your old treadmills, how do you think your members feel?"



ALSO AVAILABLE



Star Trac Pro
 \$1,095

Venture Fitness now has in stock one of the industries most popular treadmills. The Star Trac Pro is now available to club owners for \$2,750 per tread. Discounts available for purchases of six or more.

CONTACT:

Nichele McDonald

O: 904-880-1117

C: 904-545-3103

Nichele@VentureFitness.com

Tim Williamson

O: 904-880-1117

C: 904-509-3947

Tim@VentureFitness.com

VENTURE FITNESS

PRODUCTS & SERVICES
FOR THE BUSINESS OF FITNESS

Our 40,000 Sq. Ft. warehouse stocks one of the largest inventories in the country of used and refurbished fitness equipment.

We carry major brands such as Cybex, Precor, Star Trac, Body Master, Life Fitness, Hammer, Nautilus, etc.

Call for a current inventory or to visit our facility.

Take an extra
10% - 30% OFF
Items sold "AS IS" **COOL DEALS!**

ELLIPTICALS

- Precor 546 \$2,750
- Precor 544 \$1,995
- Star Trac \$1,995
- Life Fitness \$2,750
- Nordic Trac \$1,995

STEPPERS

- Cybex 800 \$1,295
- Stairmaster 4000 PT \$1,095
- Stairmaster 4400 PT \$1,295
- Tectrix \$1,095

CARDIO

Our reconditioned cardio equipment includes:

Complete cosmetic make-over including new paint, stickers, grips, belts, etc.

Complete mechanical check including:

Electronics Programs Motors All parts replaced as needed

TREADMILLS

- Life Fitness 9500 \$2750
(Next Generation)
- Life Fitness 9100 \$1,995
(Classic)
- Star Trac Pro \$2,750
- Star Trac 4500 \$1,995
- Cybex 600, 700 \$1,995
- Quinton 612 \$1,750
- Precor 956 \$2,495

VALUE TREADMILLS

Quinton 510 & 3.0
Trotter 640 & 645
Precor 962



\$1,495

BIKES

- Cybex Upright \$995
- Cybec Recumbent \$1,195
- Star Tac 4300 & Pro Upright \$895
- Star Trac 4400 & Pro Recumbent \$1,095
- Schwinn Spinning \$1,295
- Star Trac Spinning \$450

CONTACT:

Nichele McDonald
O: 904-880-1117
C: 904-545-3103
Nichele@VentureFitness.com

Tim Williamson
O: 904-880-1117
C: 904-509-3947
Tim@VentureFitness.com

Norm Cates'
THE Club Insider
NEWS

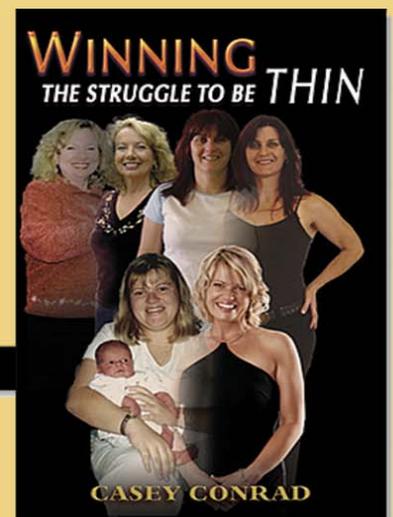
...says,

Order Casey Conrad's
New Book!

**WIN YOUR
STRUGGLE TO BE THIN**

Hope & Inspiration for Every Woman Wanting to Lose Weight!

www.winningthestruggle.com



The Bottom Line on the Weight Loss Business

Part II

By Donna Krech

CLUB INSIDER's October edition contained Part I of this two part article. In that writing I provided an overview of the variety of weight loss solutions for your club(s). I mentioned that there are: stand alone, business in a business, group or class, short-term and on-line models.

In Part II here I have provided an analysis of the weight loss products that are available now.

Profiles of the Available Models

The stand-alone model is seen in the large

variety of weight loss centers across America we're all familiar with. They typically operate in a shopping plaza and function as a *completely solo business*.

The benefit of offering a weight loss solution with the stand-alone model is that the overweight market is *comfortable coming to it*, thus *you'll attract more of the overweight market* that isn't comfortable coming to a health/fitness club. This could mean *enormous revenue* that you've never seen before! *The liability in the stand alone is clearly the overhead.*

The business in a business model brings together the *best of both worlds*. It functions as a *stand-alone*

from a perspective of marketing to the outside world, but exists within another business such as your club. So, *overhead is controllable*. Another *major benefit* of this model is that there are *many club members just waiting for a results-producing weight loss model* to be offered. These models *aren't as proven* as the stand-alones yet, but they are *on the rise in popularity* not to mention *profitability!* The negative of having the business in a business model is the overweight/obese individual must walk into the club where mostly fit people are doing their thing. That is why special training for fitness/health club operators is so important.

The group or class model can best be understood by thinking about *Weight Watchers* or *Overeaters Anonymous*. This facilitated model can be set up virtually anywhere. Success may be found in a church, a school, a random meeting room... or in *YOUR CLUB*. There typically isn't much risk with this one, but the potential for profit is very much still there. A short-term model asks for a *6-12 week commitment* of the member. *Paid-in-full programs*, thus *cash flow*, are the *advantage of this model*. Unfortunately, *without a continuity plan*, *attrition* of this membership has *usually been around 75%* for current members and as high as *100% for any enrollment passed expiration*. *The bottom line with this model is short-term income.*

The on-line is by far the *least costly* from a dollar perspective. *A good on-line model will provide you with the tools you need to successfully promote this avenue to your members*. If it's not promoted, it won't go well, because there is no physical evidence of any kind that it's there. Successful on-line affiliates have made good profits; but, *most make a small amount of money*. However, all things considered, there is *also virtually no risk in the on-line model*. Many on-lines will offer you perfectly legitimate, free enticements to give your

members the chance to *'try them before they buy them'*.

Space Needs and Time Requirements

Let's talk about space needs and time requirements to realize a return on investment. (ROI)

Stand alones will need at least *700 to 2,000 square feet*, take *2-4 full time staff people* and *operate 30 to 55 hours per week*. Because this model opens the market to many more people, the opportunity for ROI can be quick and quite large. *Because it's a business with its own existence, ROI can also be slow and tiny if systems aren't adhered to.*

The *In-Club model* as well as the *Short Term model* can function in as small as *100 square feet* as most often one person does the administration of each. The hours required are set by the club leaders, but aren't as substantial as a stand-alone. The *In-Club* should be available at convenient hours for not only club members, but also to bring the outside market in. The *Short-Term* would follow the same guidelines unless it's also a group model. *ROI here is 100% dependant on how aggressively marketing is done and to what demographic it's offered*. *I've seen dues bases doubled, personal training soar and returns begin to come in one week!* You read it correctly- I wrote: **ONE WEEK!**

The group model needs enough room to house *10-30 chairs*, *only one person to operate it* and *only 2-4 hours per week, including marketing and class prep time*. Traditionally, *revenue here is lower, but can be high when plugged as a point of sale option in a fitness/health club*. In that case, this becomes a *wonderful model due to time and initial finances needed*.

The on-line model only requires internet access so members can join the program. That can be done for them by a staff person, so *no specific allotted space is needed*. Club personnel can



Donna Krech On The Cover Of Club Insider News September 2006

be involved with this model for greater success, but *most on-lines are designed so that isn't necessary*. This model offers *minimal continuity*. If *high quality content, timely delivery and regular availability of motivational coaching opportunities are provided*, this one *might surprise you*. *The upside is the online model may be accessed 24/7*. The downside is that without proper marketing and enthusiasm in the club, it won't have a proper spring board to leap from. **The work you put in will be based on what the monetary reward you want to see and the kind of solution you want to be in your community. If you'll reach out to your community as the solution provider, you'll have a magnetic effect on them. Their goals will be achieved and your ROI will be big and fast!**

Marketing Approaches

The weight loss marketing approach is identical to fitness. As marketing guru Dan Kennedy says, **"Marketing is marketing is marketing."** This means multiple marketing channels will work: TV, radio, online, direct mail, newspaper, coupon clippers, wellness programs, speaking engagements and more.

It's the message that needs to be vastly different. *Without a doubt the stand-alone model has gotten the best result from its marketing efforts*. The customer who
 (See Donna Krech page 29)

MARKETVISION INSIGHTS



**FREE TRIAL!
 FOR ONE MONTH
 (4 ISSUES)**

CALL US NOW!!

MarketVision Insights is 52 weeks of market-trends translated into recommendations for clubs to use on a regular basis.

A one-pager is sent to you via email in PDF format every Thursday evening of every week of the year.

Still the same is the low, low price of \$189/year.

As one respected industry leader said "If you only get one idea a year it's still worth more than the yearly cost."

Subscribe now at:

Club MarketVision 480-361-6283
 or email us at brianmcbain@coxnet

...Donna Krech

continued from page 28

has gone outside the club industry for help for a long time finds the stand alone most attractive because the health club is intimidating to him.

Interestingly enough—I think our health club industry was possibly partially responsible for the weight loss business boom. Weight loss programs became very popular and highly lucrative in the eighties when clubs were referred to as 'meat markets'. Then, if you weren't fit—you didn't join a fitness club. So, the weight loss business person said, "Hey I'll market to them if no one else will." Sure enough, it was a case of 'if you build it, they will come.'

Now our fitness/health club industry wants to help, but our marketing isn't timely, nor does it have the proper message.

The weight loss center business already cornered the market. Or, did they?

When it is done cor-

rectly the business within a business model (a weight loss business within a fitness/health club) can give you the same result without having to run two completely different locations. The same affect the stand-alone has experienced can be obtained as far as bringing in the outside market. The convenience and lower overhead of it being in the club and the club member-base feeding it, are two major perks.

The other three models can bring the outside market in as well. It's all depends on the marketing message. Most of these three models, though, are designed to market primarily to the club member whose goal is to lose weight.

The Sales Process

A successful sales process with a weight loss program prospect is the same with all models.

Emotional connection needs to be made to the

desired goal. Your prospect needs to 'see' what it's going to be like to be at their goal so can they can feel what it's going to be like to experience life there. This will help them stay focused so motivation can be maintained. Showing them the equipment or touring them as we call it, is NOT what will cause a weight loss prospect to buy. They need to know you're different, that you actually really do care and that you're going to be there to help them get where they want to go.

Memberships can be paid-in-full or divided up and added to monthly dues. The model you choose will absolutely guide you with this. Please heed this note however: **SELL NO MONTHLY MEMBERSHIPS IN WEIGHT LOSS!!** Don't do it!! This is 25 years of experience talking. **NO commitment equals No commitment.** The weight loss mindset is one that must make a commitment so permanent results can be achieved. One month is not a

commitment. I mean, when's the last time you made a commitment to something for only 30 days and kept doing it for the rest of your life? Enough said.

This Can Seem Overwhelming!

It can all seem overwhelming. It would be so much easier to just keep doing what we're comfortable doing. But, you're passing up on potentially hundreds of thousands of dollars by doing so.

You should and need to step out and learn how to do things you don't know how to do. **"The perfect balance between support and challenge, calmness and chaos, is where maximum growth can occur," - Dave Buck.**

When we make a decision to add weight loss to our club we make the decision to continually grow as business people and solution providers. If we stay in our comfort zone (the fitness

business) we not only don't help this obesity pandemic, we also don't grow as successful entrepreneurs. When we step outside that zone and seek to stretch and learn and become more ... every area of our life grows.

Let's talk potential. If you were speaking at a community event and you could choose between a group of 14 seriously interested people or a group consisting of 67 pre-qualified, completely-sold-on-what-you're-offering-folks or one that combined the two, which would you choose to present to? Of course...you'd want them all!!

Now you have the potential that weight loss models offer.

(Donna Krech is a member of 'our group' and the Founder and President of Thin&Healthy's Total Solution® and may be reached at: 419.991.1223.)

Staff Training Available

Try Us FREE for 3 Months!

What are the benefits of e-Learning for clubs?

- Online training of employees via the internet
- **A low cost, efficient way to train your staff**
- Easy access, 24/7
- **No work time loss or travel expenses to conventions and conferences**
- Employees learn in real time, at their own pace, and in their own space
- **Training customized for the club industry by industry experts and nationally recognized business leaders**
- Improve the knowledge and skills of managers and staff

24/7

Key Features of the Club Performance Program

- Over 100 lessons available
- Sales training
- Customer service training
- Management/Supervisor/Leadership training
- Human resource topics
- Testing and employee reports
- Option to create your club's own private label Learning Center and add custom lessons



"A well trained, member oriented staff is critical to differentiating your club in today's competitive market."

Gerry Faust, Consultant to the Club Industry

Club Performance Network
1-866-850-2582
 www.clubperformance.org

Norm Cates'
THE Club Insider
NEWS

14 Years and Counting!
Established 1993

The Club Insider News is Published in Marietta, Georgia. Those wishing to reproduce any portion may do so, provided it is not for resale in other publications. Reprints for commercial use are available by request.

PUBLISHER AND EDITOR - *Norm Cates, Jr.*
I.T. DIRECTOR AND ASST. EDITOR - *Justin Cates*
WEBSITE DESIGN - *Justin Cates*
PRINTING AND MAILING SERVICES - *Walton Press*
www.waltonpress.com

The Club Insider News
P.O. Box 681241, Marietta GA 30068-0021
(O) 770-850-8506 (F) 770-933-9698
Email : clubinsidernews@mindspring.com
www.clubinsidernews.com

Roundtables for EXecutives

APPLY NOW

"I have learned how to better lead my company and coach my staff. I have been able to look at my business from new and different perspectives. The group has helped me focus on what is truly important."
Average annual growth 14% a year for the past 9 years.


Joe Cirulli
Gainesville Health & Fitness and REX Member

Brochure Available: www.REXonline.org 858-829-1615

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 (check one) _____ phone # below.
email address: _____

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

Club Insider Advertisers

<input type="checkbox"/> CheckFree Corp - Pg 2	Fax#:(678) 375-3304
<input type="checkbox"/> Affiliated Acceptance - Pg 9	Fax#:(573) 374-9972
<input type="checkbox"/> Sales Makers - Pg 7	Fax#:(845)736-0508
<input type="checkbox"/> Body Training Systems/Podfitness - Pg 31	Fax#:(770)989-4710
<input type="checkbox"/> National Gym Supply - Pg 11	Fax#:(310) 280-0937
<input type="checkbox"/> Market Vision Insights - Pg 28	Fax#:(212) 987-4227
<input type="checkbox"/> Visual Fitness Planner - Pg 5 & 25	Fax#:(877) 616-1681
<input type="checkbox"/> Thomas Plummer Company - Pg 13	Fax#:(508) 833-3074
<input type="checkbox"/> Vitabot-Pg 21	www.vitabot.com
<input type="checkbox"/> Club Performance Network - Pg 29	www.clubperformance.org
<input type="checkbox"/> Active XL Promotions - Pg 5	Fax#:(770) 350-8912
<input type="checkbox"/> Kids PACE Express - Pg 7	www.kidspacexpress.com
<input type="checkbox"/> Fitness Mgmt. & Consulting - Pg 18	Fax#:(214) 292-9553
<input type="checkbox"/> Greenmaple Wellness Comm. Pg-23	shawn@fitdv.com
<input type="checkbox"/> Club Broker - Pg 18	Fax#:(480)821-8993
<input type="checkbox"/> REX Roundtables - on this page	www.rexonline.org
<input type="checkbox"/> Association Insurance Group - Pg 15	Fax#:(303)985-1248
<input type="checkbox"/> Thin & Healthy Pg - 19	www.thinandhealthy.com
<input type="checkbox"/> Fitness & Wellness Ins-Pg 25	info@fitnessandwellness.com
<input type="checkbox"/> The STEP Company - Pg 4	Fax#:(770)989-4710
<input type="checkbox"/> InTek Strength - Pg 17	Fax#:(618) 988-1313
<input type="checkbox"/> Venture Fitness - Pg 26 & 27	Fax#:(904) 880-0480
<input type="checkbox"/> Easyzone Weight Loss & Nutrition-Pg 32	Fax#:(905) 632-7948
<input type="checkbox"/> JLR Associates-Pg 10	jr@jlrassoc.com
<input type="checkbox"/> Optimal Design Systems Intl. - Pg 22	Fax#:(954) 385-6120

Sincere Thanks, Gratitude and Appreciation to:

All who have advertised, purchased subscriptions and pitched in as Contributing Authors.

We've now published 158 monthly editions.

ALL of you are on the "Team" that makes CLUB INSIDER.

We will be grateful to you forever.

We appreciate and LOVE you.

Very sincerely, Norm Cates, Jr.

Norm Cates'
THE Club Insider
NEWS

14 Years and Counting!
Subscribe Today!

Here is Why:
-Norm's Notes With The Latest Industry News First
-Great Articles To Help Improve Your Club's Profit
-Tell-It-Like-It-Is Editorials

Name: _____
Attach List for Additional Subscriptions

Club Name: _____
Address: _____
City, State, Zip: _____
Telephone: _____

\$89 (U.S.) - 12 Issues (Includes Canada)
 \$119 (U.S.) - 18 Issues (Includes Canada)
 \$199 (U.S.) - International (One Year)
 Check Enclosed or Charge To:
 M.C. Visa AMEX Discover

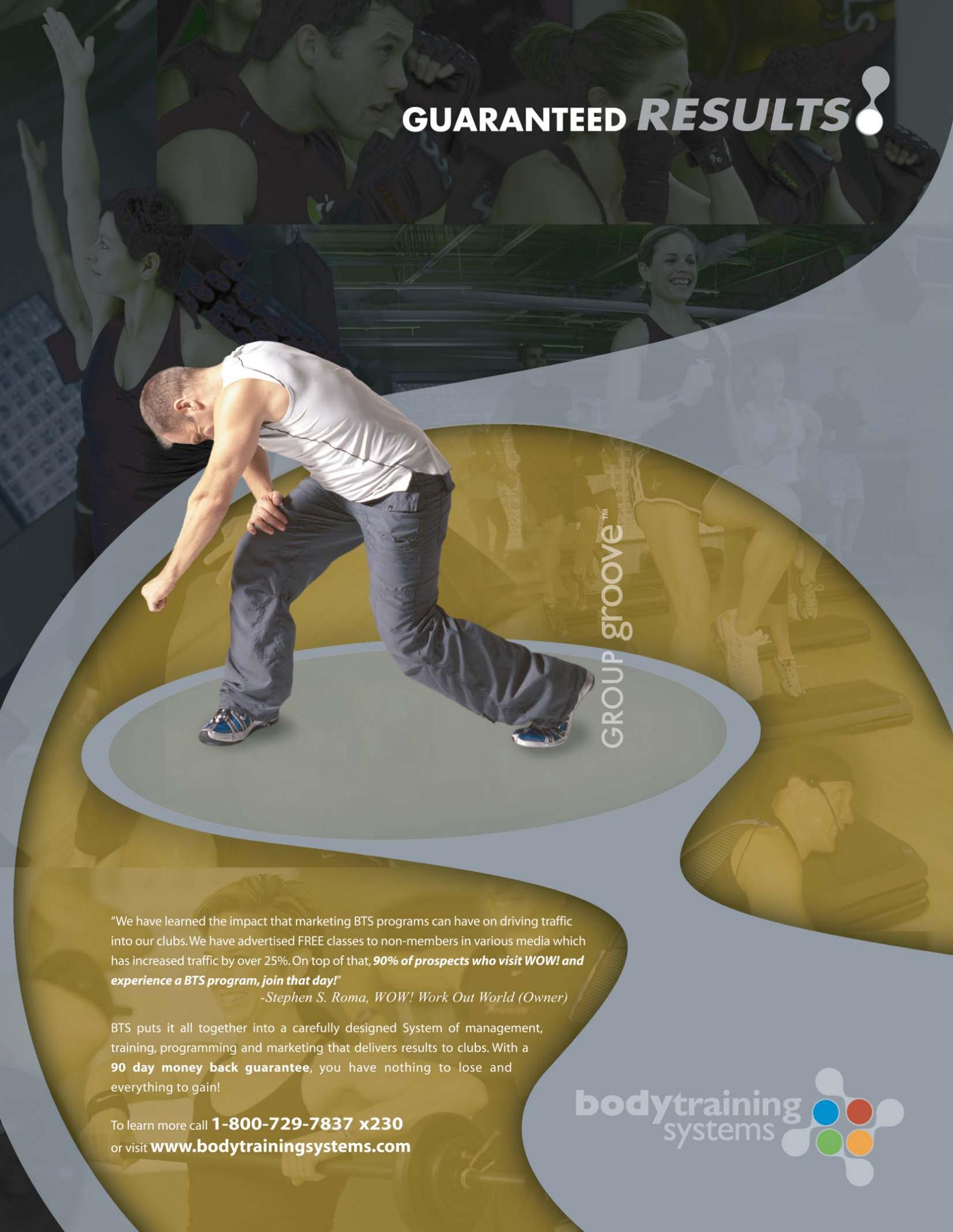
Card# _____ EXP: ____/____

The Club Insider News
P.O. Box 681241, Marietta GA 30068-0021
(O) 770-850-8506 (F) 770-933-9698
Email : clubinsidernews@mindspring.com
www.clubinsidernews.com

Printed edition is coming in the 1st Quarter of 2007

Leaving FAT City

A "Tough Love" Book About Your Mind



GUARANTEED *RESULTS*

GROUP groove™

"We have learned the impact that marketing BTS programs can have on driving traffic into our clubs. We have advertised FREE classes to non-members in various media which has increased traffic by over 25%. On top of that, **90% of prospects who visit WOW! and experience a BTS program, join that day!**"

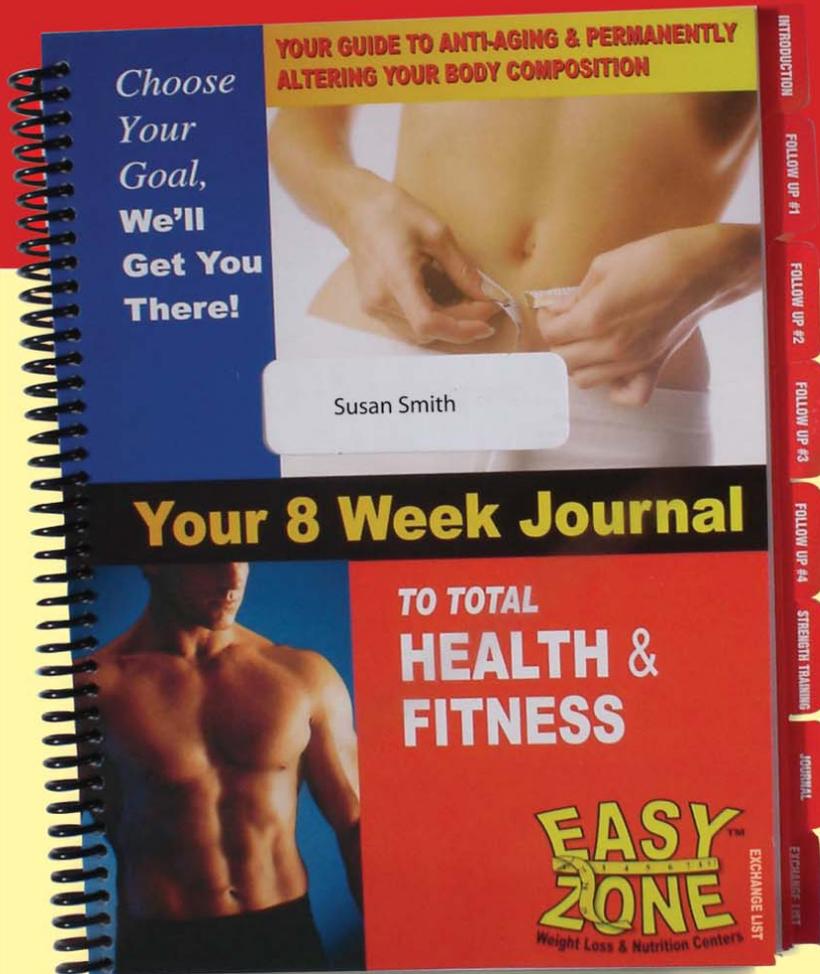
-Stephen S. Roma, WOW! Work Out World (Owner)

BTS puts it all together into a carefully designed System of management, training, programming and marketing that delivers results to clubs. With a **90 day money back guarantee**, you have nothing to lose and everything to gain!

To learn more call **1-800-729-7837 x230**
or visit **www.bodytrainingsystems.com**



IS YOUR CLUB LOSING OUT ON THE WEIGHT LOSS MARKET?



The 'EasyZone' Weight Loss and Nutrition Centers add a major profit center to your club requiring less than 100 sq. ft.

WHAT IS AN 'EASYZONE' WEIGHT LOSS & NUTRITION CENTER?

- ✓ An extremely credible, low cost, high profit, turn key wellness program that will increase personal training and membership sales.
- ✓ A fully automated system that provides your clients with a totally personalized weight loss plan over 8 weeks.
- ✓ A huge opportunity to attract previous "gymphobic" clients.
- ✓ A successful retention tool because it delivers results, it educates and it promotes client interaction.
- ✓ Allows your clients to lose 2-3 pounds per week using grocery foods of their choice.
- ✓ A proven business model with over 25 years of experience and success in the health club industry resulting in millions of dollars in profit!

WHY SHOULD YOUR CLUB HAVE AN 'EASYZONE' WEIGHT LOSS AND NUTRITION CENTER?

- ✓ Extensive training and marketing materials are provided.
- ✓ IHRSA conducted a survey that revealed nutritional counselling and personal training are among the most profitable services offered today in leading health & fitness facilities.
- ✓ Industry statistics show it is 5 times more expensive to acquire a new member than it is to service and retain an existing one.

WHY PROVIDE NUTRITIONAL PLANS FOR YOUR MEMBERS?

- ✓ IHRSA surveys show 78% of all individuals who joined a Health Club cited weight loss as their primary fitness goal.
- ✓ IHRSA showed a 13% increase in member retention resulting from programming sales which focus on the acquisition of results.



CALL TODAY

North America 1-866-LOOK FIT (566-5348)

905 827 3824 Ext. 700

or Email: EasyZone@cogeco.ca

CHECK OUT OUR MEMBER WEB SITE AT WWW.THEEASYZONE.CA