

Norm Cates' CLUB INSIDER™

The Pulse of the Health and Fitness Club Industry

Franciscan Omni Health & Fitness



The Franciscan Omni Health & Fitness Team (L to R) Front Row: Heather Hanas, Jane Bogordos, Sharon Sporman, Leah Okner and Ashlee Johnson 2nd Row: Tony Sharpe, Luanne Cofran, Allyson Damjanovic, Marci Crozier, Teresa Nirtaut and Mike Sikora 3rd Row: Eyvon McHaney, L.J. Mattraw, Jim Saunders, Jill Schneider, Krissy Roberts, Carrie Ranta and Betty Durochik Not Pictured: Mike Vanni

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NOVEMBER 2015

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Norm Cates' CLUB INSIDER™

The Pulse of the Health and Fitness Club Industry

Franciscan Omni Health & Fitness

It's not how you feel when you get here... It's how you feel when you leave.

By: Justin Cates

This month's cover story, featuring **Franciscan Omni Health & Fitness**, concludes our 22nd year of publication and is our 263rd monthly edition! At this time in our industry's history and potential future, I can think of no better topic than the successful integration of health, fitness and wellness services. In fact, as I think back on some of this year's cover stories, this topic has been a very common theme this year, specifically. In January, after touring the facility in person, I wrote about *Cincinnati Sports Club*, a health partner of The Christ Hospital in Cincinnati, Ohio. In March, we featured *The Claremont Club*, a facility in Claremont, California that is helping spinal cord-injured patients live more normal lives. In May, we featured the *Edge*, a 6-club chain in Vermont that is successfully working with the UVM

Medical Center on an array of programs. And, in July, we featured *Power Wellness*, a company that specializes in the building of health and wellness facilities nation, and now, worldwide.

More and more stories about health and wellness integration coming to the forefront in industry publications everywhere, not just **CLUB INSIDER**, could all be a coincidence or it could mean that our industry is now truly taking the steps it needs to take in order to become a trusted and respected resource in the betterment of people's lives. In all seriousness, we are at war, and the loss of this particular war could have disastrous effects on a global scope. The war against obesity and inactivity is real, and each of you reading this is in the middle of it. What are you doing everyday to win the small daily battles that will ensure absolute victory?

This month, we are very proud to



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present the story of another organization like those previously mentioned that is seeing success with their particular battle plan: **Franciscan Omni Health & Fitness**, with locations in Schererville and Chesterton, Indiana.

In October, prior to *Club Industry 2015* in Chicago, my Dad and I had the wonderful opportunity of touring the Schererville facility in person with **Sharon Sporman, Administrative Director Wellness**, as our guide. The tour took a solid *45 minutes*. When I say we barely stopped walking the entire time, that is the absolute truth. The 212,000 square-foot complex is

expansive, and everything you can think of in the realms of health, fitness and wellness are all right there under one roof! Every tool needed to affect the lives of those who need it most are there, and they are being used in award-winning fashion. Omni Health & Fitness is certified by the Medical Fitness Association, and this year, they have racked up some impressive and well-deserved honors:

•**Medical Fitness Professional of the Year Award/Executive Director** - Individuals who reflect the highest personal and (See *Omni Health & Fitness Page 12*)

Planet Fitness To Take Over Times Square With 'Judgement Free' New Year's Eve Celebration

NEWINGTON, N.H. - Planet Fitness, one of the largest and fastest-growing franchisors and operators of fitness centers in the United States, announced that the brand known for its Judgement Free Zone, non-intimidating atmosphere and affordable prices, will be the presenting sponsor of the Times Square New Year's Eve Celebration. In cooperation with Times Square Alliance and Countdown Entertainment, Planet Fitness will ring in a 'Judgement Free' 2016 with over one million attendees in Times Square and more than one billion television viewers worldwide.

"At Planet Fitness, our mission (See *Planet Fitness Page 7*)



CLUB INSIDER Celebrates 23 Years and Counting!

By: Norm Cates

The thoughts that we've finished our 22nd year of publication of **CLUB INSIDER**, and that this is our 263rd monthly edition, are special ones that are hard to believe! But, at the same time, these thoughts drive my son, Justin, and me to keep at this with a passion and a deep dedication as if we had started last month! Way back in November, 1993, when I started **CLUB INSIDER** with the help of my Faust Executive Round Table #1 Group, there were a few who thought **CLUB INSIDER** would not last even one year, much less 22 years.

As we celebrate our 23rd Anniversary of **CLUB INSIDER** this month,

there are multiple of groups of people I want to extend my most sincere **Thanks and Appreciation** to for the record:

First, and most importantly, **Thanks and Sincere Appreciation** to all of you who read **CLUB INSIDER** in print and online every month, as well as Club Insider Weekly online each week. Those of you who assure your receipt of **CLUB INSIDER** every month via paid subscriptions are a huge part of our business model, and we appreciate your support with your paid subscription investments. **Thank you!**

Next, sincere **Thanks and Appreciation** to **Dr. Gerry Faust** and **Rick Caro**, both of whom teamed up in the early '90s to create **The Faust Executive** (See *23 Years and Counting Page 7*)

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Norm's Notes

•**Hello Everybody!** This is your CLUB INSIDER Publisher and Tribal Leader since 1993 checking in with our 263rd monthly edition and the last edition of our 22nd year of publishing!

•**Is America a great country, or what? Hmm... hmm... hmm!!! Happy Veteran's Day!** As I write this, today is Wednesday, November 11th, Veteran's Day, and I want to extend very sincere Thanks and Appreciation to all of you who've served our great country in our armed services: Thank you to all active duty and former Air Force, Army, Navy, Marines and the Coast Guard men and women... Thank You to you all!

•I'm very pleased to bring to your attention this month my son, JUSTIN's terrific Cover Story on the amazing Franciscan Omni Health and Fitness Club, a 200,000 square-foot gargantuan multipurpose facility in Schererville, Indiana, about an hour drive South of Chicago, with a sister club located in Chesterton, Indiana that's a 55,000 square-foot multi-purpose facility. Our Thanks and Appreciation to Ms. SHARON SPORMAN, Administrative Director of Wellness for Franciscan, for her time touring their amazing place on the afternoon of October 7th, the first day of the Club Industry Show. We've seen a lot of amazing clubs over the years, and this one is right up there with some of the truly amazing places we've had the opportunity to visit such as The East Bank

Club in Chicago; RED LERILLE's Club in Lafayette, Louisiana that he calls "Red's" and PATRICIA LAUS' gigantic Atlantic Club in Manasquan, near New Jersey shore, situated on over 42 acres with 274,782 square-feet under roof. Enjoy the Cover Story that begins on Page #3!

•**23 Years and Counting!** That's the title of my Page #3 article about CLUB INSIDER finishing our 22nd year of publication and now reaching our Year 23 Milestone! Check it out!

•**CHRIS RONDEAU, CEO of Planet Fitness, and his Team,** have come up with a whopper of a way to launch the New Year, and that is to be front and center at the huge annual New Years Celebration at Times Square in New York City! Since Planet Fitness now has 100 locations open in the great State of New York, this seems like a perfect promotion for the organization. This might just be one of the best marketing and PR ideas in the history of our industry and I, for one, take my hat off to Chris and his Team for putting it all together. Be sure to check out the story starting on Page #3 this month and check out their Ad on our Insider Front Cover!

Also, Planet Fitness has released their 3rd Quarter, 2015 Financials, and here are a few highlights:

•**Total revenue increased from the prior year period by 8.4% to \$68.8 million.**

•**System-wide same store sales increased 6.9%.**

•**Net loss was \$3.9 million** compared to net income of \$8.1 million in the prior year period.

•**Adjusted EBITDA increased 11.8% to \$26.5 million** from \$23.7 million in the prior year period.

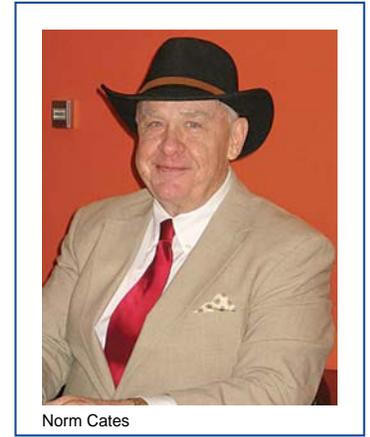
•**26 new Planet Fitness stores were opened system-wide** during the 3rd quarter period.

CEO, Chris Rondeau commented:

"We are very pleased with our third quarter results. Our performance was driven by the continued execution of our strategy: expansion of the Planet Fitness store base coupled with system-wide same store sales growth. Our unique fitness offering and powerful national advertising strategy continue to resonate with a broad consumer audience. Looking ahead, we see a long runway for growth. With our three operating segments, Franchise, Corporate Stores and Equipment, we are well positioned to generate strong top-line gains, margin expansion and significant free cash flow over the long-term."

Congratulations to Chris and his Team on their big New Years Eve promotion!

•**GUY CAMMILLERI, World Gym International's Managing Director,** recently announced that WGI, Inc. has entered into an agreement with World Gym Taiwan to begin developing World



Norm Cates

Gyms in the greater China region, to include China, Hong Kong, Macau, and of course, continued growth in Taiwan. World Gym Taiwan Founders and owners, JOHN CARACCIO and MICHAEL SANCIPRIAN, started with just one World Gym in Taichung in 2001. Now, they have 34 gyms throughout Taiwan, with several more in pre-sales, and many more planned for the future! Check out the World Gym International Press Release on Page #19 and Ad on our Outside Back Page!

•I had the pleasure of speaking with BEN MIDDLEY, CEO of Crunch Franchise, last week. The specific reasons for my call were: It was the 20th Anniversary of Ben (See Norm's Notes Page 8)

About Club Insider

Established in 1993

23 Years and Counting!

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“Insider Speaks” Back Office Traps

By: The Gym HQ Team

Publisher’s Note: Gym HQ is an Atlanta-area based, 1 1/2-year old company that provides turnkey back office operations for your club(s), your personal training company or any small business for that matter. Gym HQ will increase your back office efficiency and improve your club(s) overall financial performance. I know

that’s a *tall order*. I also know how difficult back office operations can become as your business grows because I’ve lived it... the *HARD WAY!* Having spent my first four years in the club business in a partnership, including one partner who was a gifted CPA, I found myself and my operations totally unprepared when our partnership went its separate ways. To make a long story short, my poorly organized and

staffed back office found me in numerous “Traps” that cost me literally hundreds of thousands of dollars after I’d grown my club group to four locations. You, however, are *very lucky*. You are lucky because *NOW* there’s a great solution to this dilemma available, and that solution is called Gym HQ. I urge you to read the following commentary from the Gym HQ folks and to seriously think about what you read. I

recommend that any and all club owners, both new club owners and mature club owners alike, give Gym HQ a very close look. Gym HQ is for you personal trainers, too! The following is the first installment of our Gym HQ article series that we’re calling *Back Office Traps*. I believe you’ll find this company to be very helpful. And, after you’ve read the following, I also urge you to go to www.gymhq.club and click on “Our Story,” then scroll down a little bit for a cool, 2-minute video that will share a great deal about Gym HQ. Read on and then click!

...

Probably the number one back-office trap we see a lot of fitness businesses making is failure to keep consistent and accurate financials. It’s amazing how many businesses don’t keep them at all! In this article, John Lewin, who has 30 years of experience, will share his top five financial musts. Some of these may seem obvious, but there is value in achieving the most basic of principles:

Five Financial Musts For Any Fitness Business

1. A Proper Business Plan: You have a great idea; now it’s time to put pen to paper. Take the time to write a proper business plan. Think through all aspects of your business, paying very close attention to a well thought-out proforma. Put together some financial projections and compare them with your proposed capital expenditures. Know when you should reach break-even and when you’ll turn a profit. Have a plan to responsibly make distributions. It’s a lot easier to make these decisions when the money is conceptual.

2. A Working Budget: What will your revenue be? Are you making revenue projections or using sales goals? These are two very different things. Goals are pie-in-the-sky. Revenue estimates should be realistic and conservative. What can you afford to spend? Is your spending in line with your timeline for break-even that you outlined in your business plan? Are you over-spending? Throw in a line item for contingency. This will catch those unforeseen monthly costs. If you don’t need it, great; but if you do, you don’t blow out your budget. A budget provides a business with the structure/foundation upon which it can grow.

3. Accrual over Cash: Accrual accounting
 (See *Back Office Traps* Page 7)

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...Planet Fitness

continued from page 3

is to provide everyone with a welcoming and encouraging environment where they can feel comfortable pursuing a healthier lifestyle, at a cost that everyone can afford," said Chris Rondeau, Planet Fitness Chief Executive Officer. "There is no better time than New Year's Eve to inspire people to live a 'Judgement Free' 2016 and reach for their goals, regardless of their fitness level, and with more than 1,000 clubs system-wide, anyone can kick off the New Year right with Planet Fitness."

Times Square will become a sea of purple and yellow when Planet Fitness hands out thousands of branded hats and balloons in its signature colors on New Year's Eve. Additionally, Planet Fitness is offering two lucky winners the

chance to be part of the festivities with a special VIP experience: two grand prize winners, each with one guest, will have the opportunity to attend the official Times Square New Year's Eve party at the Hard Rock Cafe New York and will receive roundtrip airfare, hotel and transportation. Participants can enter through Facebook or Twitter, by commenting on the special sweepstakes post found on Planet Fitness' Facebook page or by going to the Planet Fitness Twitter page and retweeting the special sweepstakes Tweet that includes the hashtag #PFNYE.

As the official fitness and presenting sponsor of Times Square's New Year's Eve, Planet Fitness will also be featured on "Dick Clark's New Year's Rockin' Eve with Ryan Seacrest 2016." In addition, Planet Fitness will be showcased throughout the official Times

Square 2016 webcast, which will be live steamed on TimesSquareNYC.org, TimesSquareBall.net, NewYearsEve.nyc and on many other sites.

"Times Square New Year's Eve is thrilled to partner with Planet Fitness, a company that knows and understands 'fun,' and together host one of the world's most popular celebrations," said Jeff Straus, President of Countdown Entertainment. "Revelers can expect a unique experience unlike any other in the world, and a strong, rejuvenating start to 2016."

"New Year's Eve has always been a time of new beginnings, and for many people fitness is a part of that, so this partnership with Planet Fitness is perfect for us," said Tim Tompkins, President of the Times Square Alliance.

"We are thrilled to welcome back Planet Fitness as an official sponsor

and broadcast partner, owning the health and fitness category, for this year's Dick Clark's Rockin' Eve with Ryan Seacrest 2016," said Greg Economou, Executive Vice President & Chief Revenue Officer for Dick Clark Productions. "As a result of their powerful and dynamic NYRE partnership platform, Planet Fitness will surely inspire and motivate people as we ring in the New Year with a message of happiness, health and fitness for 2016."

The bi-coastal celebration of "Dick Clark's New Year's Rockin' Eve with Ryan Seacrest 2016" will include hours of special performances and reports on New Year's celebrations from around the globe. America's biggest celebration of the year will take place live from Times Square on Thursday, December 31 beginning at 8PM ET/PT on the ABC Television Network.

...23 Years and Counting

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Roundtable #1 Group. This Roundtable included a special, hand-picked group chosen by Rick and Gerry whose mission it would be to share our challenges with others in the group and exchange ideas among the group to help solve those challenges. Each member was given an opportunity at each meeting to share a challenge with the group, whatever challenge might be at the top of their list. We met and shared data, successes and resources three to four times a year in different locations around the country to bring our clubs' challenges and ideas to the group for close scrutiny and

feedback. In addition to the creators, Faust and Caro, our group included: the late Brother Curt Beusman, and his wonderful wife and business partner, the late Jane Beusman, Red Lerille, Richard Trant, Cecil Spearman, Mitch Wald, Tom Lyneis, Mark and Debbie Eisenzimmer, Jill Kinney, Carl Porter, Jay Kell, Hannah Karass and yours truly. **Sincere Thanks and Appreciation** to all on the Faust Executive Roundtable #1.

And, Thanks to our Advertisers who've made **CLUB INSIDER** happen over the past 22 years. Some will remember that, when we started **CLUB INSIDER**, the business model I began with was subscription-only with zero advertising. It didn't take long for me to figure out

that was not working financially. So, after about four months, we opened the door to advertisers. Our **Team of CLUB INSIDER Advertisers** represent the best people and companies in our industry. The idea of being selective and careful about whom we sell advertising in **CLUB INSIDER** was based on the concept that **we view you, our esteemed CLUB INSIDER readers as our friends**, friends to be looked out for. So, the last thing we would ever want to do was to sell advertising to companies who would not be good for our readers, and in fact, might even prove to be really bad for you and your business. That's why you don't see a revolving door of **CLUB INSIDER** advertisers like you will

see elsewhere. Recently, we've added two companies to our advertising Team, and they are **Muscle Up Marketing** and **Gym HQ**. In this edition, per my request, I've asked these two companies to weigh in with timely articles that I've asked them to write this month because **NOW** is the time you should be focused on preparing your 2016 marketing plan and checking up on your back office operations. We hope that, with help from our new advertiser in the marketing world, **Muscle Up Marketing**, (See **Ad on Page #21**) and help from **Susan K. Bailey Marketing and Design** (See **SKB's Ad on Page #19**), a loyal and long-time advertiser in the field of marketing, (See **23 Years and Counting Page 8**)

...Back Office Traps

continued from page 6

is a method that measures the performance and position of a company by recognizing economic events regardless of when cash transactions occur. The general idea is that economic events are recognized by matching revenues to expenses (the matching principle) at the time in which the transaction occurs rather than when payment is made (or received). This method allows the current cash inflows/outflows to be combined with future expected cash inflows/outflows to give a more accurate picture of a company's current financial condition. Accrual accounting does a much better job presenting a clear picture of performance. It also may offer better tax benefits.

4. Capital, retain some: This is much easier if you head into a business having already thought through a retention and distribution process. Navigating rough business waters is much easier with a bit of a cash buffer. This prevents the dreaded capital call. It's easier to always think about capital retention in terms of preparation for a business downturn, but it can be argued that it's even more important to maintain a solid book balance for opportunity. This allows a business to be nimble and



Melissa Knowles

capitalize (get it?) on any exciting ventures that pop up on the horizon.

5. Reconcile, reconcile, reconcile: Probably John's favorite and most repeated quote is, "Watch your pennies, and the dollars will take care of themselves." This old proverb still rings very true today. Businesses work so hard for their money: driving sales, watching retention numbers and pushing for non-dues based revenue; yet, many times, they fail to ensure that all of those dollars are making it into their bank accounts. John mentioned that he's witnessed occasions where merchant



John Lewin

holders miss a remit, and the reason is never found. When there are thousands of transactions happening in a given week, it's easy to imagine a few slipping through the cracks. You can't track down what you don't know you're missing. All invoices should be checked and signed off on each month. It's amazing how many times overcharges occur.

Banking and check fraud are at an all time high. Only a full bank reconciliation will uncover a fraudulent charge or check clearing your bank. It may also be prudent to consider a feature like



Jonathan Hill, Esquire

Positive Pay or ACH filters. Positive Pay essentially serves to protect your account by allowing you to be the gatekeeper for all outbound checks. Nothing clears without your approval. Though much more work on the front end, it affords the business owner the peace of mind that his account isn't in jeopardy 24 hours a day.

Finally, if something can't be reconciled, it's a symptom of something wrong. Books should balance. A missing dollar today could be a missing thousand tomorrow.

Visit www.gymhq.club today.

...Norm's Notes

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winning IHRSA's Sales Person of the Year Award way back in 1995, and I wanted to congratulate Ben again on that honor. And, I also wanted to congratulate Ben on Crunch now having over 100 Franchises open for business. So, CONGRATULATIONS BEN on that achievement, as well! We also had a chance to catch up on Ben's efforts with Crunch Franchising sales with an old friend, GEOFFREY DYER. GEOFF is a former IHRSA President, and former Owner of a large chain of Lifestyle Family

Fitness Centers in the Tampa Bay area that he sold after he had built it up to be a \$100+ million a year chain. Geoff has partnered up with VINCE JULIEN, one of the former Owners and President of Shapes Fitness, a former competitor of Geoff in the Bay area. Together, they've acquired Crunch Area Development Agreements for, and have delved deeply into Crunch Franchising with a big bang planning 20 new Crunch Fitness Centers in the Atlanta area and a total of 35 Crunch locations, including those planned for Orlando and the Tampa Bay area markets.

Ben commented on how he views

things: "To be honest, we've got a bunch of franchisees at that level. That's the way we approach business, staying small to grow big. Meaning, we like to have less owners that operate more units as it allows us all to stay much more aligned as the business grows. Following our plan, we've sold over 500 Crunch Franchises to only 44 ownership groups with 107 open locations currently. So, on average, every Crunch Franchisee owns about 10 locations." Ben also mentioned a few other prominent Crunch Franchisees, including former 24 Hour Fitness Division Presidents: STEVE BLOCK, CURTIS HARMAN, JOHN ROMEO and MARK POLL. Best wishes, Ben, for continued success with Crunch Franchise marketing and Thanks, for advertising Crunch Franchising in CLUB INSIDER every month over the past five years (See Page #5)!

•Also, during our conversation, I invited BEN MIDDLEY to my 70th Birthday Party here in Atlanta on Saturday night, January 16, 2016. So, while I'm on that subject, I want to invite YOU, too! And, I want you all to know that we've decided that since my son, JUSTIN, and I have birthdays on the 17th (mine) and 18th (his) of January, we're going to make the event a Combo Party. And, while we're at it, we're going to try to help Augie's Quest, which we've helped support with CLUB INSIDER for the past ten years. I know that most of you reading this live somewhere across the fruited plain of

our great America and will not be able to attend. **But, I hope you ALL will be with us in spirit on that evening.** So, I want to ask each of you, in honor of our birthdays, that you send a check made out to **Augie's Quest for \$10 or more** to me at:

CLUB INSIDER
 P.O. Box 681241
 Marietta, GA 30068

Once the party's over, we'll put all of the checks in a batch and get them to AUGIE and LYNNE NIETO. Plus, all of you who are kind enough to contribute will be recognized and Thanked in the February edition of CLUB INSIDER the month after the party. By the way, please don't send any birthday cards because that will take up your valuable time and money that could go towards a donation. Just send a check for \$10 or more made out to Augie's Quest, and we will be honored, and you will be appreciated greatly for doing so. Stay Tuned, folks!

•Speaking of Augie's Quest, Development Manager, ANGEL MOSER, sent a letter recently announcing that they have two great opportunities to showcase your company and/or products and services at the upcoming 11th Annual Bash for Augie's Quest to be held on March 23, 2016. Just in case you didn't receive Angel's letter, here's the scoop, and we urge you to pitch in for this great Augie's Quest cause to find the cure for ALS, (See Norm's Notes Page 10)

*YOU and Companions
 of Your Choice Are
 Cordially Invited to the
 Combo Birthday Party For
 Norm Cates' 70th and
 Justin Cates' 31st birthdays!*

*Hudson Grille
 Sandy Springs, Georgia
 Saturday Night, January 16th, 2016
 8 P.M. until ???*

*If you plan to attend, please do us the favor of your reply to:
 Norm@clubinsideronline.com or (770) 635 - 7578*

Everyone attending, or not, are asked to contribute a check to Augie's Quest for \$10 or more to help in the effort of finding a cure for ALS, a/k/a Lou Gehrig's Disease but someday to be known as Augie's Cure!

Please make out your check for \$10 or more to Augie's Quest and mail it to:

*Club Insider
 P.O. Box 681241
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All contributors of any amount will be thanked and acknowledged in the February 2016 edition of Club Insider!

...23 Years and Counting

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you will find help in preparing your 2016 marketing plan just in time for the New Year. Additionally, with Gym HQ, they can solve any back office issues you are having that are costing you money. Importantly, I'm very proud of what I'm about to tell you: We have one advertiser, Jon Webster's National Gym Supply, that has advertised in CLUB INSIDER every month we have sold advertising! And, a large majority of our other advertisers have been on our Advertiser Team for between 10 to 15 years of continual monthly publication of their ads in CLUB INSIDER. There's always a list of all of our advertisers in every edition on Page #30, and we welcome you to check it out to learn more.

And, all CLUB INSIDER readers have enjoyed the benefit of education from our long list of top industry professionals who comprise our prestigious CLUB INSIDER Contributing Author Team. These are wonderful and gifted people who serve you and our industry, and you will see their names on Page #4 of Norm's Notes every month.

Certainly, before I close here, we want to express sincere Thanks and Appreciation to IHRSA and Club Industry for their support of CLUB INSIDER

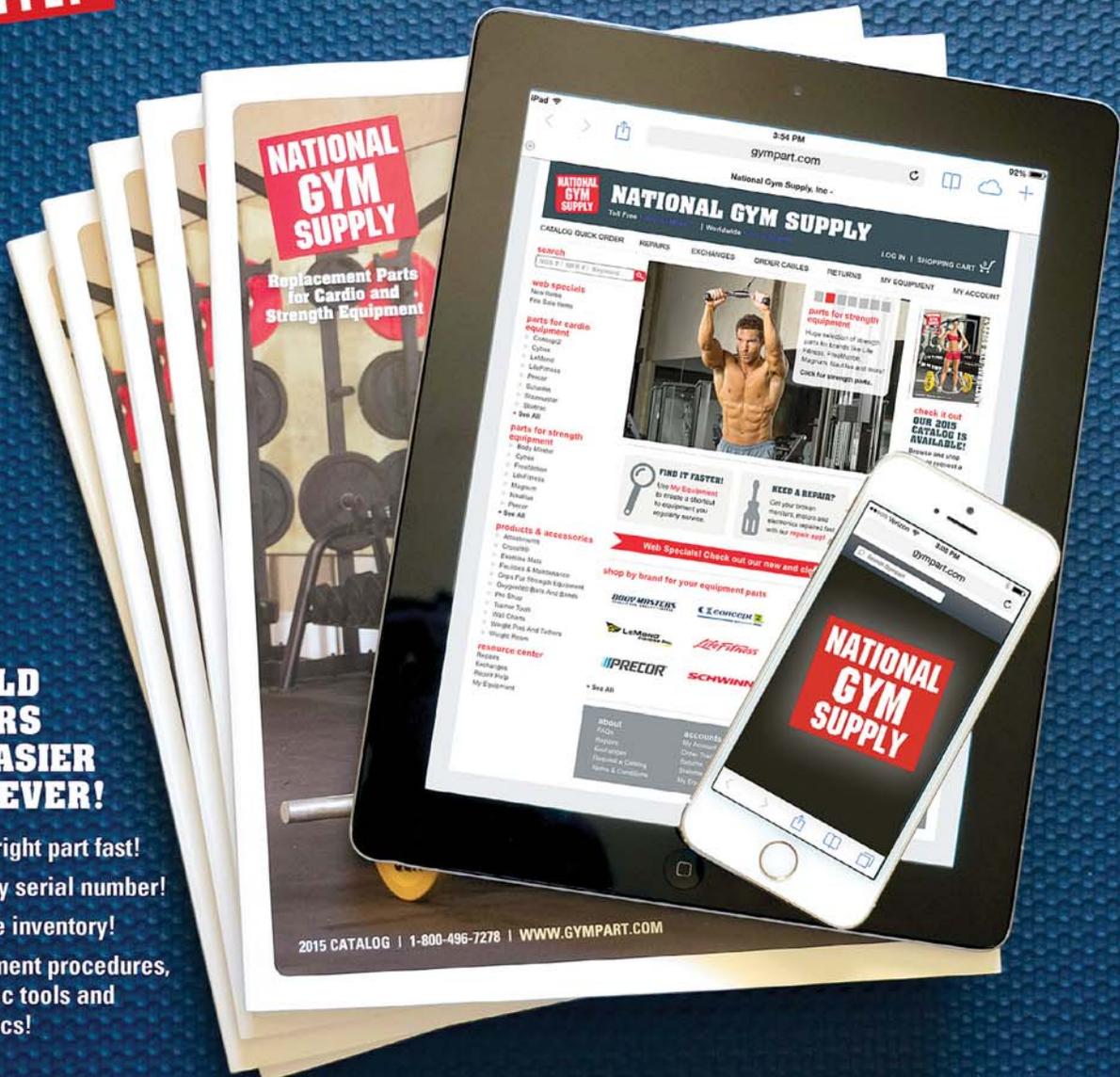
over these 22 years.

Last, but not least, I want to express my heartfelt Thanks and Appreciation to my son, and now partner in CLUB INSIDER, JUSTIN CATES, for all that he does for CLUB INSIDER. Starting with the always great job he does on our monthly page layouts, all of our website work and other cyber guidance, invoice preparation for subscribers and advertisers, annual tax preparation and filing, subscription record keeping and the list goes on, CLUB INSIDER has one guy on our Team, Justin Cates, doing the work of three or four people! Sincere Thanks and Appreciation JUSTIN! I'm very thankful that you will be taking over CLUB INSIDER whenever the good Lord decides to call me because I know our industry values the great work you and I do on CLUB INSIDER because I hear about it all the time!

(Norm Cates, Jr. is a 40+ year veteran of the health, racquet and sportsclub industry. Cates is the Founder and Publisher of CLUB INSIDER, now in its 23rd year of publication. Cates was IHRSA's First President, and a Co-Founder with Rick Caro and five others, in 1981. In 2001, IHRSA honored Cates with its DALE DIBBLE Distinguished Service Award, one of its highest honors. Cates can be reached by phone at 770-635-7578 or email at Norm@clubinsideronline.com)

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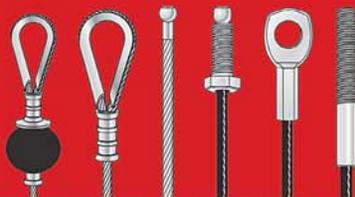
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...Norm's Notes

continued from page 8

also known as LOU GEHRIG's Disease:

Charity Buzz Auction - December 1-15
 - Our online auction through Charity Buzz is a great way to highlight your donation to a much larger audience and help raise money for ALS. Donations are needed by **November 17th**. Learn more about the Charity Buzz Phenomenon at www.charitybuzz.com.

BASH Online Auction - These items will be available to bid on digitally for

two weeks leading up to the BASH and at the event. The audience will primarily be BASH attendees. Donations are needed by **February 1, 2016**.

The 2015 Bash for Augie's Quest raised \$1.8 million and has raised similar amounts every year for ten years! Angel Moser closed her letter with: We humbly ask for your assistance by contributing to our exclusive auctions. Your participation will highlight your community support, provide marketing exposure and help to raise much-needed funds for ALS Research. And, we thank you in advance for your support and consideration. Please

contact us at **(858) 361 - 9239** regarding **sponsorship opportunities** or if you need further information. I look forward to your favorable reply.

You can also reach Angel at: amoser@als.net. Check out: www.augiesquest.org.

• **Ladies and Gentlemen... Times a fleetin!** So, make your plans now, if you haven't already, to join us in **Orlando, Florida, March 21-24, 2016** at the **Orange County Convention Center for IHRSA's 35th Annual Convention and Trade Show!** A **MUST attend event every year for all professionals in our great industry**, you need to register for the event and book your hotel and airfare ASAP before prices go up! Check out www.IHRSA2016.com for details.

• I'm very pleased to introduce **two new CLUB INSIDER Contributing Authors: JON BUTTS, Founder and Owner of Muscle Up Marketing; and the Gym HQ Team, consisting of partners MELISSA KNOWLES, JOHN LEWIN and JONATHAN HILL, Esquire!** Check out Jon Butts' inaugural article on marketing on **Page #20** and the **Gym HQ Team's** article on **Back Office Traps** on our **"Insider Speaks" Page #6**. Trust me when I say that **NOW** is the time to pay close attention to **both** of these subjects: **(1) Marketing plans for the New Year and (2) Back Office Traps**.

• **KEVIN STEELE, PhD.** has joined the **Association of Fitness Studios (AFS) Advisory Council** according to a **Press Release** from **CHUCK LEVE, Father of JOSH LEVE, AFS CEO and Co-founder of AFS**.

• **The Professional Tennis Registry**, a global association of tennis professionals, has announced that it will hold its **International Tennis Symposium February 17 - 20th** at the **Van der Meer Shipyard Racquet Club** and the **Sonesta Resort Hilton Head Island, South Carolina**. PTR expects attendees from **50 countries** and boasts of more than **40 tennis industry experts** that will conduct **classroom and on court presentations during the events**. The annual event will also include a **tournament beginning February 16** and a **Tennis Trade Show on February 18**, as well. Experts expected to speak include: **MARY PIERCE, Grand Slam Champion; LEO ALONSO, Argentinean tour coach; CRAIG O'Shannessy, Australian Open analyst; Coach EMMA DOYLE, Tennis Australia High Performance Coach; MARCIN BIENICK of the Polish Tennis Federation; Drs. JIM LOEHR and JACK GROPPPEL, Human Performance Institute Co-founders; and CARL MAES, former coach of KIM CLIJSTERS**. Plus, **BILLE JEAN KING, International Tennis Hall of Famer**, will be inducted into the **PTR Hall of Fame** at

the **awards banquet on February 17th**. For complete information and registration, visit www.ptrtennis.org/events/ptr-week.

• **Congratulations to DON WHITNEY and his teammates on Marietta, Georgia's Fair Oaks Senior Tennis 8.0 Team** as they swept the **city, state and Southern Sectional championships** on their way to winning the **National Championship for Seniors in Phoenix, Arizona!** Don's winning teammates, as reported by the **Marietta Daily Journal**, are: **BRUCE MCGINLEY, WAYNE MILLER, OAKLEY ALLEN, PAULE GEBERT, ROBERT 'BO' HARRIS, JORY OLSEN and CRAIG GARRETTSON**. Don is the **Founder and Owner of Atlanta-area based Corporate Sports Unlimited**, a highly successful organization that *specializes in management services for corporate fitness facilities and the production of over 300 corporate special events each year*. Again, **Congratulations and God Bless, to Don and his Tennis Team!**

• While I'm on a **Congratulations roll** here, let me say **CONGRATULATIONS** to my college football teammate, **FREDDIE COMBS!** He's enjoying a really great year of honors for his terrific achievements on our **1967 N.C. State Football Team... a Team that at one point was 8-0 and ranked #3 in America** before, sadly, we lost back-to-back games to **Penn State** (in the late **JOE PATERNO's** 2nd season) and to **Clemson**, in **Death Valley, South Carolina**, which is what they call their wild and woolly stadium in Clemson. On **May 15th**, Freddie was inducted into the **North Carolina Sports Hall of Fame in Raleigh, North Carolina**, along with nine other honorees. Then, I was watching an **ACC football game last weekend**, and on the screen scroll, there was an announcement that **Freddie had been named to the ACC Football Legends**, to be awarded on **December 4th**.

• **God bless all of those souls lost in Paris, France on Friday night, November 13th**. May God also heal those who were wounded in this very sick terror attack.

• **JUSTIN and I want to say Thank you for reading CLUB INSIDER!** And, **Happy Thanksgiving to you all!**

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

(Norm Cates, Jr. is a 40+ year veteran of the health, racquet and sportsclub industry. Cates is the Founder and Publisher of CLUB INSIDER, now in its 23rd year of publication.)



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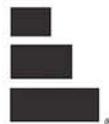
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STEPFITNESS

...Omni Health & Fitness

continued from page 3

professional achievements and influence on their facility, their community and medical fitness industry: Awarded to **Sharon Sporman**, *Administrative Director Wellness*.

•**The Marla Richmond Memorial Education Award** - Recognized as exceptional education dedicated to furthering the Medical Fitness Industry through service, outreach and teaching: Awarded to **Jane Bogordos**, *Wellness Supervisor/Exercise Physiologist*;

•**Certified Medical Fitness Facility of the Year Award (Runner-Up)** - Facility that clearly serves as a benchmark for the industry and represents the best of certified facilities;

So, with that, let's hear from Sharon Sporman herself to learn more about Omni Health & Fitness, what they do and the effects they are having on the communities they serve. I welcome you to read on...

An Interview With Sharon Sporman, Administrative Director Wellness, Franciscan Alliance

CLUB INSIDER (C.I.) - How did you get started in the health and fitness club/medical wellness industry?

Sharon Sporman (SS) - I was an athlete supported by a family that was athletically inclined and lead a very active lifestyle growing up on a farm in southern Indiana. I pursued the field in college, taught school for a few years and entered the fitness industry in the 1980s when Ken Cooper's *AEROBICS* was new. I opened an 'aerobics' business in Indianapolis, Indiana, recruiting and teaching instructors to teach for various fitness centers, recreation departments, etc.

C.I. - How did you come to be at Omni Health & Fitness/Franciscan Alliance?

SS - I met my husband at a racquetball tournament in central Indiana, and he was the General Manager at Omni 41 at the time. There was no women's 'aerobics' programming at the club then, so he recruited me!

C.I. - Omni has been around for more than 40 years. What year did it first open, and how did this come about?

SS - Franciscan Omni **Schererville** was an ice arena that opened in 1973. The health club opened in early 1974. Five local investors (physician, builder, newspaper distributor, accountant and entertainment agent) collaborated to open the ice arena, then a health club with a pool and racquetball and then a tennis club. Franciscan Omni

Chesterton opened in 2001. As a joint venture by two Franciscan Alliance hospitals (St. Anthony and St. Margaret Mercy), in January 2002, they attached a fitness center to an existing medical pavilion.

C.I. - What were the first facilities at the start?

SS - Schererville: In addition to the fitness club (with no co-ed exercise), pool, locker rooms and three racquetball courts, an Ice Arena seating 3,000 spectators and a studio ice rink for ice skating lessons were part of the original structure.

Chesterton: Physician's pavilion and fitness center including: fitness equipment, lap pool, therapy pool, group exercise studio, Kid Zone, physical therapy suite, cardiac rehab, massage therapy.

C.I. - What were the major changes and when?

SS - In 1999, we added a wing that included Athletic Development Sports Performance (now Parisi Speed School); Physical, Speech and Occupational Therapy/Work Hardening; Pediatrics Rehabilitation and



Franciscan Omni Health & Fitness (Schererville)

Physician Suites. In 2000, we added the Vanis Salon & Day Spa.

Years later, in 2011, we licensed with Thin & Healthy Total Solutions. In 2012, we leased the previous ice/roller skating arena to JAKS Warehouse (family entertainment center). And, in 2015, we have been remodeling the studios, the locker rooms, pools, entryways, fitness center and functional training area. Also in 2014, at Chesterton, we added a performance studio that includes indoor cycling and functional training. We are planning on additional upgrades in 2016.

C.I. - At what point did Omni come to be within the Franciscan Alliance, and what did this mean for Omni?

SS - Schererville: It has been a part of Franciscan Alliance since 1998. We received more resources for facility, programming and staff. There was greater attention paid to policies, procedures and compliance.

Chesterton: It has been a part of Franciscan Alliance since 2001. In 2010, we began to provide joint oversight of both facilities, enabling some cost and operational efficiencies, establishing best practices and collaboration of marketing and programming.

C.I. - When it was bought by the hospital system, what were the initial changes? Physical plant? Staff? Systems? And, how does it now fit within the health care system?

SS - Schererville: Benefits for employees improved; new policies, procedures and compliance came into play; there was great opportunity to align with the *Mission and Values of Franciscan*

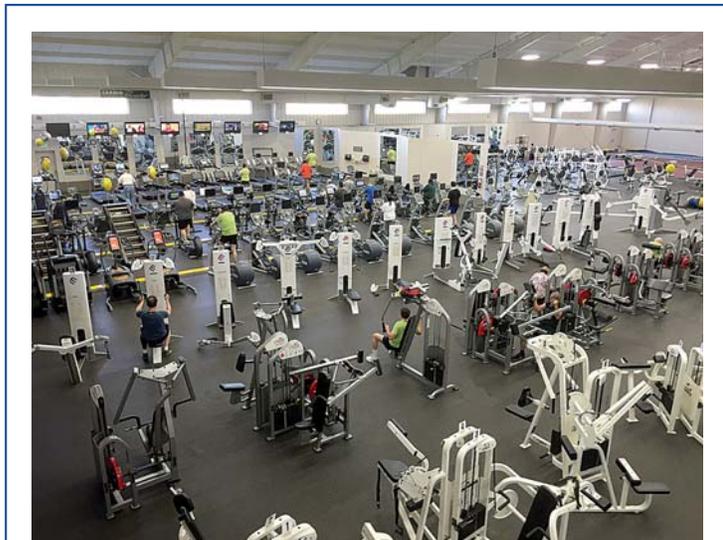
Alliance; we added 35,000 square feet to the physical plant, which now hosts Adult and Pediatrics Rehabilitation, Physician Office Suites, Vanis Salon and Day Spa and Athletic Development (which is now Parisi Speed School).

Franciscan Omni Health & Fitness is an integral part of the continuum of care within the Franciscan Alliance. A primary focus for our hospital system is to get patients well and keep them out of the hospital. Omni fulfills the aspect of being proactive in offering opportunities to be well and then keeping them well once medical treatment has been completed. Our physician offices, clinics, therapy and rehabilitation centers refer their patients into our medical memberships so we can assist patients in lifestyle changes and behaviors. We also have members seeking medical assistance where we can be a resource to them regarding such needs by referring to the best medical care.

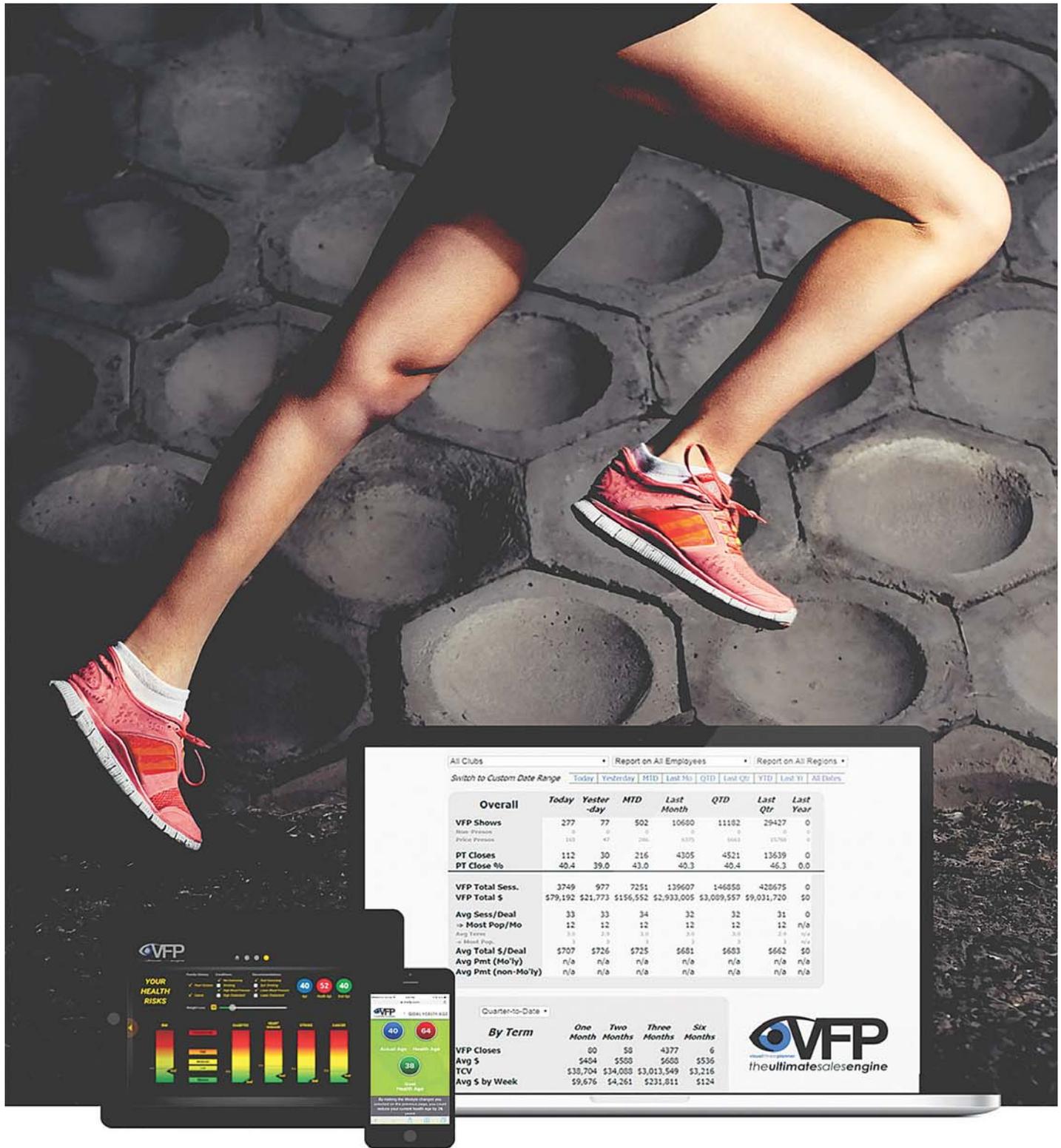
C.I. - What difficulties, if any, did you encounter with members who did not accept the changes?

SS - All in all, the changes were seamless to many. Our existing members did speak loud and clear that they didn't want the fitness center to become a 'sterile environment' (perception is reality). In addition to accommodating the fittest of the fit, the resources that the hospital system has made available to assist those with chronic disease has been good for us, while we still maintain the 'sociability and fun of the club,' important in wellness as well.

C.I. - Please tell us about Omni Health & Fitness (See *Omni Health & Fitness Page 14*)



Omni Health & Fitness Equipment Floor (Schererville)



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Overall	Today	Yesterday	MTD	Last Month	QTD	Last Qtr	Last Year
VFP Shows	277	77	502	10690	11182	29427	0
Non-Press	0	0	0	0	0	0	0
Price Press	113	47	286	4375	5663	15768	0
PT Closes	112	30	216	4305	4521	13639	0
PT Close %	40.4	39.0	43.0	40.3	40.4	46.3	0.0
VFP Total Sess.	3749	977	7251	139607	146858	428675	0
VFP Total \$	\$79,192	\$21,773	\$156,552	\$2,933,005	\$3,089,557	\$9,031,720	\$0
Avg Sess/Deal	33	33	34	32	32	31	0
→ Most Pop/Mo	12	12	12	12	12	12	n/a
Avg Term	3.0	3.0	3.0	3.0	3.0	3.0	n/a
→ Most Pop	3	3	3	3	3	3	n/a
Avg Total \$/Deal	\$707	\$726	\$725	\$681	\$683	\$662	\$0
Avg Pmt (Mo'ly)	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Avg Pmt (non-Mo'ly)	n/a	n/a	n/a	n/a	n/a	n/a	n/a

Quarter-to-Date

By Term	One Month	Two Months	Three Months	Six Months
VFP Closes	90	50	4377	6
Avg \$	\$404	\$500	\$600	\$536
TCV	\$38,704	\$34,000	\$3,013,549	\$3,216
Avg \$ by Week	\$9,676	\$4,261	\$231,811	\$124

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...Omni Health & Fitness

continued from page 12

Fitness today:

SS - Locations: Schererville, Indiana and Chesterton, Indiana.

Square Footage: Schererville: 212, 095; Chesterton: 53,937.

Amenities and Services: Schererville: 18,000-square-foot fitness area; Cardio theater including over 80 cardio stations; 70+ fitness classes per week; 1/10th mile indoor track; recreational and lap pools; largest indoor cycling gym in the Northwest Indiana; Parisi Speed School; racquet sports; Pilates studio; sports clinics; leagues and tournaments; free supervised KidZone; Thin & Healthy's Total Solution. **Chesterton:** 7,200-square-foot fitness area; free weights; cardio equipment with 17" flat screen monitors; cycling; 60+ fitness classes per week; lap and therapy pools; performance studio; 1/16th mile banked walk/jog indoor track; free supervised KidZone; Thin & Healthy's Total Solution.

C.I. - How many membership accounts does Omni have, and how many members does that equate to? What percentage of the membership are families? Seniors? Corporate?

SS - For the month of September, Schererville: Total members through September was 8,098 with 7,021 membership units. 10% are insurance-based members, 500+ corporate members and approximately 500 seniors (is more but these are also blended in with other types of memberships). None of these numbers include the children that we have in Parisi or utilizing our Kid Zone services.

C.I. - What are Omni's typical dues rates? And, is there an initiation fee?

SS - Most frequent with 24-hour access in Schererville is \$51 per month with an

initiation fee of \$200, which we discount differently throughout the year.

C.I. - Please tell us about the wellness components at Omni. What are the major thrusts? Who does these medical thrusts attract and how does that affect the core membership?

SS - Most of our referrals come from orthopedic, physical therapy and primary care physicians. They receive our **60 Days for \$60** medical membership, which is a guided 8-week program that teaches fundamentals of exercise and balance, aquatics orientation and gradually introduces them into other aspects of the club and equipment that will be appropriate for their condition and use. We currently have 32% + conversion of these memberships into full memberships at the conclusion of their 60 days. One thing to note is that we are really big on outcomes. We do pre- and post-assessments on everyone, especially our medical memberships. If a physician, clinician or therapist refers a member to us, after 60 days, we will send a follow-up to them in regards to the progress being made so we can keep that communication loop continuing.

C.I. - What does MFA Certification mean to Omni, and specifically, to a member considering your services? What is the process of becoming MFA-Certified comprised of, when did Omni do so?

SS - We became certified for the first time in March of 2012, what that really means is that its about knowing that the facility is being held to a higher standard regarding staff, safety, quality and medical oversight. We have a Medical Advisory Board as well that is comprised of physicians, clinicians and Directors from the hospital, and even our fire department chief. The Board assists in oversight of our procedures and programs. As far as the process for becoming MFA-Certified, there are 29 standards that include: medical oversight, quality, risk management and emergency



Thin & Healthy's Total Solution at Omni Health & Fitness (Schererville)

response, professional staffing, facilities and operations and more. Examiners do an on-site visit to assess submitted application, practices and documentation to support practices.

C.I. - Please tell us about Donna Krech's Thin & Healthy (See **Ad** to the **Right**). When and how did you become involved with them and what have the results been?

SS - We began our Thin & Healthy license in 2011 in Schererville and 2012 in Chesterton. Collectively, we have lost over 22,000 pounds. This, in addition to **Marci Crozier**, *Administrative Director of Health Promotions*, being a participant (and show's/world's favorite mom), along with her daughter, Courtney, on *Biggest Loser Season 11* has opened the possibility of those with significant pounds to lose to feel welcome to walk through our doors. Using this process, we can provide a safe environment for them to begin their journey and gradually introduce them into the exercise areas after they have had the opportunity to build relationships with staff. It's all about helping to make them feel comfortable in this environment, and we do it one person at a time.

C.I. - Please tell us the top three differentiating factors between Omni and other local area health and fitness offerings.

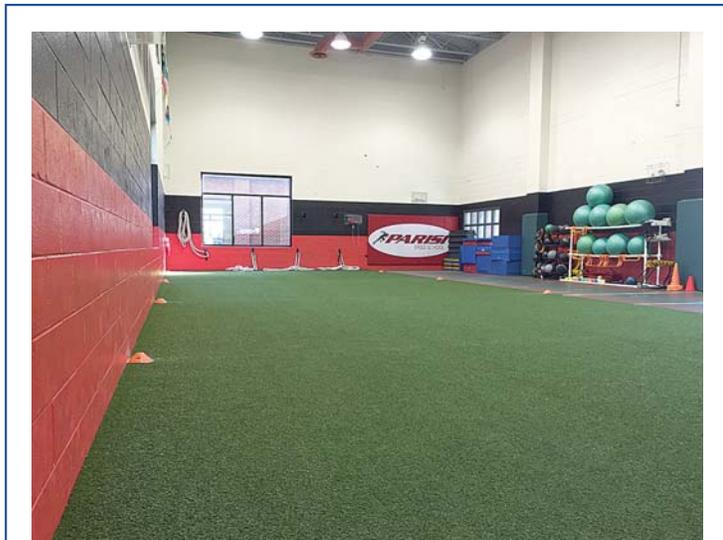
SS - Those would be: Continuing to look for and execute programs and services that guide members to desired results. Professional staffing that demonstrates compassion, while having fun! And, facilities with diverse offerings, while being a reliable staple in the community for over 40 years.

C.I. - Whom do you compete with, and how do you tell your "story" to the local marketplace?

Marci Crozier (MC) - Since February, we began a new branding program, which has really been a way for us to differentiate ourselves in the marketplace. We've been working very hard to try to show our position on the continuum of care as it relates to health care. Health clubs in the past were maybe not known for being the resource for preventative medicine, even though we always have been. So, we are making a point to use our branding to show that we are different. We aren't price competitive with fitness chains, and that's not what we are striving for. We want to make sure our position is to show value in the fact that we are the *best resource* in our community. We can meet people where they are anywhere on the continuum of healthcare.

It has been great so far. Various competitors surround us, and they have chipped away at our membership. We dipped, but now, we are coming back. Our momentum has never been stronger. The relationship with the hospital has made a difference for us. When people see us, they expect higher standards. We always felt we had great standards because of IHRSA, that is important to us, but to be a MFA-Certified facility has made a difference in community perception. Our branding doesn't just bring in new members but also reassures current members to be proud to belong to Omni. Retention is always a top priority at Omni.

C.I. - Overall, in your opinion, what are Omni's real strengths today? What are (See *Omni Health & Fitness Page 16*)



Parisi Speed School at Omni Health & Fitness (Schererville)



Franciscan

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Chesterton • Schererville

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- *Donna Kueh*

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...Omni Health & Fitness

continued from page 14

its challenges?

SS - Our strengths include: community, mission and values; meeting folks where they are without judgment, which is really about staff and the culture they create; and quality facilities that can provide tools for desired results. Our challenges are: continuing to differentiate from low price facilities, compliance and remaining competitive with technology.

C.I. - The Mission, Purpose and Values of Omni, as well as the Franciscan Alliance, are Christian-based. Can you tell us about those ideals? What have these meant to your everyday members?

SS - As has been recognized by our MFA examiners in our MFA recertification, our Mission is alive and well. This is demonstrated by staff and evident in the service and care that they extend to our members everyday. **Our Mission:** Continuing Christ's Ministry in Our Franciscan Tradition. **The Franciscan Values:** Respect for life, Fidelity to our Mission, Compassionate Concern, Joyful Service, Christian Stewardship (See **Sidebar on This Page**).

C.I. - As our country and the world continues the battle against obesity, in your opinion, to truly make a difference, what does the balance between traditional health and fitness offerings and wellness services look like in the future?

SS - It's one person at a time, coordinating and managing care of every individual, without judgment, with compassion for struggles while we all hold ourselves personally accountable. We must utilize tools (facilities, equipment and technology) to help each individual gain desired results.

MC - People with weight issues are very intimidated to walk into the doors of a facility. But, our Thin & Healthy program

has helped people. That's really what it is all about: that first step. Once they get here, they love it, but we still have to fight the barrier of people being intimidated to walk into health clubs because of the stereotype that we created in the past.

C.I. - What are Omni's plans for future growth?

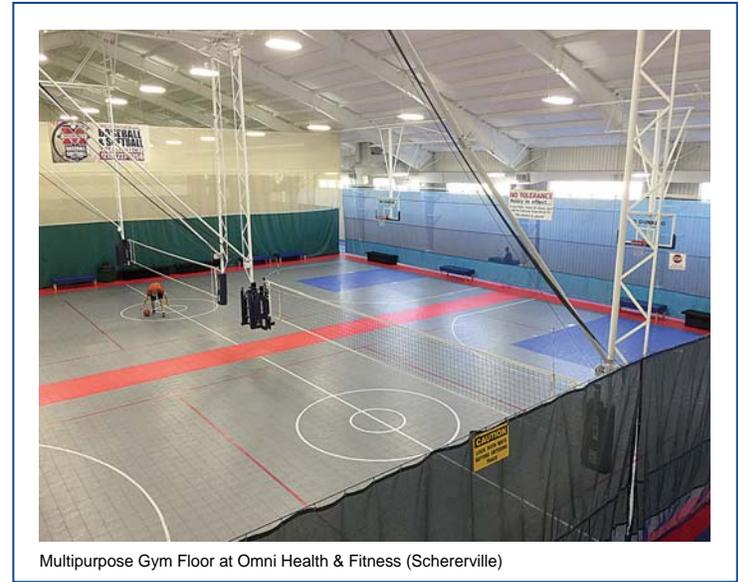
SS - We continue to seek opportunities, programs and systems that will enhance our ability to assist members and community to realize desired health, lifestyle and results (growing ancillary income), while continuing to reach out to 3rd party vendors (insurance-based) to expand our membership.

MC - One hospital system leader who was instrumental in the acquisition of Omni, Gene Diamond, used to always say 'We're always willing to talk to everyone.' I think that, in a nutshell, Sharon and I have always kept the understanding that, if we keep an open heart and an open mind when it comes to business development, things will attract to us or we will find new opportunities.

C.I. - For those considering adding wellness services to their offerings, what advice would you give?

SS - A couple of things: I feel the MFA Certification process gives you some good guidelines, and a lot of that is followed up with the ACSM Guidelines. So, those are certainly a good way to align yourself with the medical community, whether you're owned by a hospital or not. And, it really is all about measuring outcomes. All of the hospital systems have to be engaged in this because their reimbursement is based upon that. It's a venue that can be arduous sometimes, but we understand and embrace it. It's very important.

MC - Don't undermine your VALUE. Don't offer all of your programs for free because when you offer programs for free,



Multipurpose Gym Floor at Omni Health & Fitness (Schererville)

people don't see value in them. We learned that through our medical memberships. By doing 60 days for \$60, people saw value in that compared to offering a free month to come and try it. Place a dollar amount on services because they are worth it!

What benefits have you received from the Association over the years?

SS - We went to the very first IHRSA Convention, so we have been a member since the very beginning. Through networking opportunities, the trade show floors, keynote speakers, periodical, (See *Omni Health & Fitness Page 18*)

C.I. - You're an IHRSA Member Club.

Mission, Values and Purpose

Mission Statement

Omni Health & Fitness, along with all facilities of Franciscan Alliance, Inc., has the following mission statement: **Continuing Christ's Ministry In Our Franciscan Tradition.**

The Franciscan Values

Respect for Life - The gift of life is so valued that each person is cared for with such joy, respect, dignity, fairness and compassion that he or she is consciously aware of being loved.

Fidelity to Our Mission - Loyalty to and pride in the healthcare facility are exemplified by members of the healthcare family through their joy and respect in empathetically ministering to patients, visitors and coworkers.

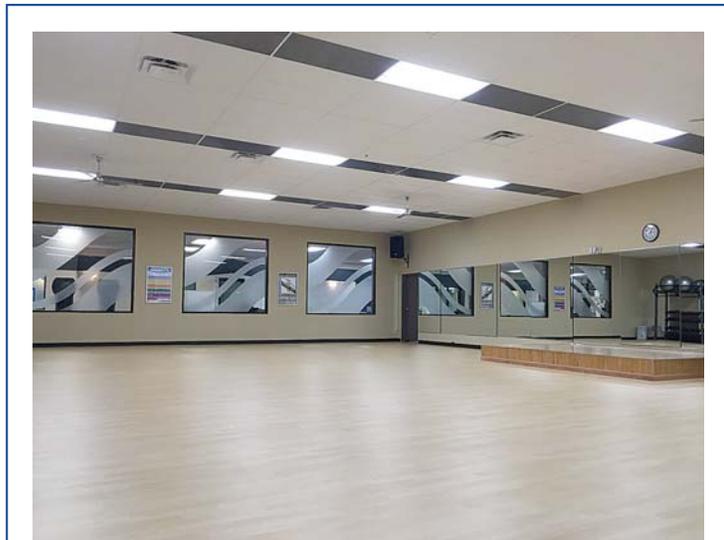
Compassionate Concern - In openness and concern for the welfare of the patients, especially the aged, the poor and disabled, the staff works with select associations and organizations to provide a continuum of care commensurate with the individual's needs.

Joyful Service - The witness of Franciscan presence throughout the institution encompasses but is not limited to joyful availability, compassionate, respectful care and dynamic stewardship in the service of the Church.

Christian Stewardship - Christian stewardship is evidenced by just and fair allocation of human, spiritual, physical and financial resources in a manner respectful of the individual, responsive to the needs of society and consistent with Church teachings.

Purpose Statement

Franciscan Omni Health & Fitness strives to be the leading wellness advocate and resource for the community and coach to the individual anywhere along the health continuum, providing the opportunity for individuals to experience the benefits of improved health.



Group Exercise Room at Omni Health & Fitness (Schererville)



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...Omni Health & Fitness

continued from page 16

publications, benchmarking, it's just an abundant wealth of knowledge there that we grasp onto and try to live up to.

• • •

Thank you to Sharon Sporman

for her time touring the Omni Health & Fitness Schererville facility during our visit as well as the follow-up interview by phone. Thank you also to Marci Crozier for her time during the interview. And to you, our readers, thank you for reading this cover story, and we hope you found some takeaways you can use in your business today!

(Justin Cates is the President and Assistant Publisher of CLUB INSIDER and grew up in the health and fitness club industry. Justin was born into a club business family in 1985, and from the age of eight, he spent his non-school and sports hours in a home that doubled as CLUB INSIDER Headquarters. He has lived and breathed this industry for 30 years, since his own

day one. Cates graduated from the Terry College of Business at The University of Georgia in 2007 and then went on to two years at The Art Institute of Atlanta, where he studied Interactive Media Design. Now, he is an integral part of the "Story" of Norm Cates and CLUB INSIDER. Justin can be reached by phone at 423-314-4310 or email at Justin@clubinsideronline.com)



Physical Rehabilitation Equipment Floor at Omni Health & Fitness (Schererville)



Physical Rehabilitation Pool at Omni Health & Fitness (Schererville)

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World Gym Expands Into Greater China

LOS ANGELES, CA - World Gym International, the iconic global brand for bodybuilding and seriously fun fitness, has entered into an agreement with World Gym Taiwan to begin developing World Gyms in Greater China, to include China, Hong Kong, Macau, and of course, continued growth in Taiwan.

The entire fitness industry is well aware of World Gym Taiwan's dramatic and impressive growth over the past decade plus. Starting with just one gym in Taichung in 2001, owners John Caraccio and Michael Sanciprian, now have 34 gyms throughout Taiwan, with several more in presales, and many more planned for the future. There will be 39 open and operating World Gym locations in Taiwan by year's end. World Gym Taiwan was recently named by IHRSA as the fitness company with the 8th largest revenue growth in the world over the past year. They are the largest gym chain in Taiwan and are known by everyone for their cool, hip, energy-filled fitness centers throughout the island.

With World Gym Taiwan's proven track record, it was natural to begin discussions with them about the move into Greater China. "We are so excited to continue growing with World Gym Taiwan," says Guy Cammilleri, Managing Director of World Gym International. "John and Michael have done such a tremendous job with their gyms in Taiwan, the whole World Gym family can't wait to see how they begin to grow the Brand in China, Hong Kong and Macau."

While the timeline is not yet set for the first wave of World Gyms to be built in mainland China, much research and planning has been done. "We're so encouraged by the great team we've built here at World Gym Taiwan," shares John Caraccio, Founder and co-owner of World Gym Taiwan. "While there is plenty more room for growth in Taiwan, we've arrived at a point in our evolution as a company where we know we are more than ready to enter mainland China."

"We believe that China is ready for a brand like World Gym and a company that builds and manages fitness centers in the way that we do," explains Michael Sanciprian, CEO and co-owner of World Gym Taiwan. "We're excited to take that next step."

World Gym Taiwan has been one of the greatest success stories in the World Gym International franchise network over the past decade. With their recent move into Greater China, it is certain that even more exciting growth is in the pipeline.

See the **World Gym Ad on Page #32** and also visit www.worldgym.com.

Direct Mail Is Still King!

By: Jon Butts

For the last decade, it seems that certain people have been claiming that print is dead. More times than not, the same people who are trying to make that inaccurate and false case are people who work at a digital marketing company and are trying to get you to allocate your entire budget towards their particular marketing offerings.

I fully understand the world is becoming more digital as each year passes. As technology continues to grow at a rapid pace, many people are starting to wonder if direct mail still works. When done the right way, the answer is a resounding YES!

Too many people think of direct mail as a commodity and believe it is as simple as putting ink on paper and putting it in the mail. They get so caught up in the price per impression and don't focus on anything else; they often cut corners (without even knowing it) and eventually pay dearly when their results are not what they hoped for.

The three most important aspects with direct mail are the offer, the design and the targeting. Does the offer have enough *value to your prospects* to get them off the couch that day and take action? Is the design captivating enough that, when it comes in the mail, it doesn't get quickly glanced over and discarded? And, most importantly, are you hitting the right people? Even if you have the best offer in the world and an amazing design, if you are not hitting the right people (and removing your members), you are destined to be let down. When done the right way, direct mail is as strong as ever and here's why:

Highly Targeted - Solo direct mail is still the only way you can hit your target market 100%, both demographically and

geographically. There is no such thing as a wasted impression when it comes to targeted solo direct mail. Any other avenue (whether it is TV, radio, online pay per click or anything else) results in countless wasted impressions to people who would never join your club or studio. This could be because they live too far away, do not have enough disposable income, are too young/old or a variety of other reasons. With solo direct mail, you can hit only the people that live in neighborhoods you are pulling members from, that also fall into a certain age and income range.

Tangible - It is no secret that Americans are bombarded with more advertising than ever these days. It is estimated that Americans see between 300-500 marketing messages every day (some reports have that number as high as 5,000)! With that many different marketing messages competing for your prospect's attention, it is more challenging than ever to get remembered. People see so much digital advertising that it is hard to make a major impact. Most people don't even notice most web banners when they are on a website. We have trained ourselves to subconsciously tune out all the marketing noise we see every day due to overload. However, when an oversized postcard is delivered directly to a prospect's mailbox, it is impossible not to notice. Everyone checks his mail, so they will see your direct mailer. This really helps your marketing resonate and leaves a much stronger and longer lasting impression than digital marketing. There are countless studies showing that Americans still prefer to see/touch/feel things and doing so creates a longer lasting impression with them.

Easily Measureable - It is imperative to be able to measure the effectiveness of

your marketing campaigns. Since leads bring in or mention the direct mail piece, it allows you to easily track the success of the campaign. However, there is always the challenge of trusting your staff to properly track and report all leads. A call tracking number can be added to the direct mail postcard, which logs and records every single call that comes in from it. You can ensure all leads are being reported properly and all calls are being handled properly as well. Finally, the most important and fool proof way to track ROI on direct mail is to pull a list of all member addresses that joined over the period of the campaign. Then, pass this along to your marketing company. They should be able to do a match back for you, comparing the list of those addresses that were mailed to those addresses that joined. This will definitely let you know the exact number of people that joined at least in part because of your direct mailer. With some basic math, you can calculate your exact return by looking at the amount spent on the campaign, enrollment/processing collected, average monthly dues and average number of months a member stays.

High ROI - Too many people get so focused on the cost per piece and never pay any attention to the cost per lead. I understand direct mail is not cheap. However, **cost per lead is way more important than cost per impression**. Who wouldn't be willing to pay 20% more per impression to lower their cost per lead by 40%? By only mailing to the best households in your market and avoiding wasted impressions, you can consistently maintain a low cost per lead. The DMA states that, on average, direct mail advertising gives a business a 13 to 1 return on investment.



Jon Butts

becoming more digital and there isn't anything too seductive about direct mail. Fortunately, we are in the world of direct marketing and not a beauty pageant. All we care about is what works and brings our clients the highest ROI. The bottom line is direct mail is **still KING!**

(Jon Butts is the Founder and President of Muscle Up Marketing. He has a decade of marketing experience in the fitness industry, specializing in lead generation through integrated print, online and mobile campaigns. Direct Marketing News named Jon as one of the Top 40 Marketers Under 40 in the United States. Muscle Up Marketing was also named as the #40 Fastest Growing Company in America in the 2015 INC 500, with 3-year revenue growth of 5,967%. In addition, Muscle Up Marketing was named as a Best Place To Work In Atlanta in 2015. Visit www.muscleupmarketing.com or call 800-516-4480 to learn more.)

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Are You Playing the Game “In the Trenches?”

By: Jarod Cogswell

The alarm sounds off at 4:30AM. It's a Saturday and almost game time. The facility opens at 6AM, but before my feet hit the floor, I must complete my pre-game ritual to increase my chances to win the day. I have to be the source of positive energy for every member that I encounter and the ritual to give me “my edge” looks like this:

1. 7 hours of sleep. Wake up an hour early.

2. Get your mind right. Who are you going to be today in any given situation?

3. Make your bed. Admiral McRaven said, “If you want to change the world, it starts by making your bed.”

4. Get inspired. Review weekly goals. Take ten minutes to read or listen to something inspiring and motivational.

5. Move that body. Activate your mind, body and spirit. Run, lift, stretch... Just move.

I consistently follow this regimen every morning after I wrote a business book titled, **WORK like an Athlete... Championship Training For The Game of Business.** It contains just about every mistake I've made in the fitness industry, and the concept is about bringing one's A-game each day to the job to become a champion business athlete.

Success begins with *passion* and *purpose*. I remember being in the trenches when I was a young trainer and Front Desk Attendant. Waking up early, driving in the dark, the heat finally warming up my vehicle by the time I arrived at the club, unlocking the doors, running to the alarm panel before it sounded off, turning on the lights, the machines, the music and other opening tasks. More than 20 years and many gray hairs later, here I am doing it all over again. The fact is: I love this game today just as I did back then!

However, like other professional careers, there have been highs and lows. It was just few years ago, I was a long-time General Manager of an ultra-successful fitness resort wearing slacks and a business shirt every day to work. Yes, I said slacks, and did I really say the word, “work?” What? I never viewed fitness as work! I realized I had become someone I didn't like... a manager. What happened to that trainer kid? I was no longer really in the trenches and realized that I had lost my *purpose* and my *passion*. The fun of the fitness game was lost, and so was I.

Now, I'm on a comeback mission and so thankful to be back playing the game

that I love... Building relationships with my team and my members... Fist bumps to all that enter our building... A smile for everyone I come in contact with... Greeting each member by name... Ensuring a parting wish as they exit rejuvenated and confident to tackle the rest of their days... Enhancing and changing lives.

Once again, I'm maniacally focused on educating, motivating and inspiring. I like to think I'm somewhat wiser and much more present. Eyes wide open. Head on a swivel. Using the gym. Working like an athlete. Connecting with my new community. Building a culture.

Yes, this morning came early, but I would never have had the chance to have a conversation with our member, Darren, about his baby girl. He's such a proud dad. Then he asked me, “Guess how much I've lost since I joined the gym?”

Before I had a chance to respond, he said, “Fifty pounds. Can you believe that? This place has changed my life!” That's the kind of stuff you learn when you man the service desk on a Saturday morning in the trenches.

Even though I am an owner of my own dream now, some of the suits in our industry may look down at me and say that I took a step backwards in my career acting as a receptionist on a weekend and working 80+ hours per week. But, if I didn't do it, I would never get to hear Darren's awesome story nor would I be able to witness other real-life transformations. For instance, Macy, called me when we first opened and told me that she was 60 pounds overweight and was scared to come into the gym. I begged her to meet with me, and within 45 minutes after she arrived, she was sweating, smiling and high-fiving me. That's the kind of stuff you get to not only see in the trenches, but also *feel*.

In fact, weeks later, I found her walking through the facility, shoulders high and confident. I said to her, “Wow. You are really making progress and trying it all!”

Macy answered, “Jarod, I have been searching for this place for a very long time.” It warms your heart when you

hear that and validates that you are making a difference.

Changing lives. That's what it's all about isn't it?

At one point, I was probably one of the youngest certified personal trainers in our industry, and recently, at a sports performance coaching course a couple of weeks ago, it took me two days to realize that I was actually one of the oldest students. Admittedly, it freaked me out a bit, but I think I held my own and bonded with some of the new generation of game changers. And, I couldn't wait to share what I had learned back at my facility.

Being back in the trenches allows me to coach people to their maximum potential, and it was Nike co-founder, Bill Bowerman, that once said, “If you have a body, you are an athlete.”

We are indeed all athletes in this sport called life, and a few times a week, I get a chance to build champions. I do my best to inspire them to get 1% better every day. Sometimes, I'll even train with them, and yes, those are some special sessions. Sweating alongside and working hard with our members and clients inspires ME.

After a few hours at the desk, I helped coach today's bootcamp: we clapped, we chanted, we worked, and at the end, we discussed the words of the week... *Choice, Chance and Change*. You must make the **CHOICE** to take the **CHANCE** if you want anything in life to **CHANGE**.

I told our *fitness familia*, “Please don't keep the energy you created in here, take it with you and go inspire someone else. Be their spark.” And then, we all high-fived.

You get to have those conversations and discussions when you are in the trenches.

After class, Coach Alex and I started strategizing about next week's bootcamp. An hour later, we bumped fists, and I told him what a great job he did with today's group. It's an honor to work again side by side with people like him.

Yes, it's a Saturday in the trenches, and I wouldn't have it any other way.



Jarod Cogswell

How A Fitness Leader Plays In The Trenches

1. Works a weekly front desk shift or two. A fitness leader leads by example.
2. Covers a shift when needed. A fitness leader is a team player.
3. Walks the floor frequently and acknowledges club and team members with a smile. A fitness leader is a service ambassador.
4. A fitness leader enthusiastically coaches clients and/or group classes.
5. A fitness leader changes a light bulb, mops the floor, folds a towel or two and doesn't complain about it.
6. A fitness leader gets involved in his community. Genuine support wins.
7. Tours prospects and sells memberships. A fitness leader doesn't just tell us, he shows us.
8. A fitness leader leads a program or workshop. He is an expert and shares his passion.
9. Educates, Motivates and Inspires. Fitness leaders must have influence.
10. A fitness leader gets whatever needs to be done, *whenever* it needs to be done. Don't procrastinate.

(Jarod Cogswell is the founder of FIT Academy, Inc. and Enterprise Athlete fitness consulting services. He is a Platinum Level Business Coach for the Todd Durkin Mastermind, professional speaker and author of “WORK like an Athlete... Championship Training 4 the Game of Business.” He can be reached at jcogswell@enterpriseathlete.com.)

**Make
It Fun!**

Maximizing Sales In This Hyper Competitive Market

By: Casey Conrad

Here's the most common question I get from club owners/operators these days: "What can we do to get more traffic through the door?" Maybe you've found yourself asking the same thing lately?

It's no secret that the marketplace has more competition than ever before. Between the big box chains, the independent club operators, 24-hour key-card facilities, the boutiques like CrossFit, yoga, Pilates and spin studios, the non-profits and the low-price clubs, the space is very, very crowded. Add to this situation the reality that marketing is just plain difficult. Traditional marketing doesn't work well anymore, yet most haven't seemed to unlock the magic of online mediums.

All that is true, BUT after doing dozens of audits, almost 99% of the time, I discover there is an inherent problem with most club sales systems; they have lost sight of the fundamental skills necessary to produce a successful closing percentage! In essence, although leads may be down, the bigger issue is sales related. Specifically,

closing percentages and referral numbers are down because core competencies are not being mastered.

I know, "Boo-hiss." I've said those dreaded words, closing percentage. What can I say, I'm a realist, and here is the reality:

Yes, you must find *new* and *creative ways* to discover marketing strategies and tactics that drive traffic through the door, BUT the best way to improve sales NOW is to get salespeople to do key things that will (A) Get them to generate more leads, and (B) Get them to convert more leads into sales. Let's review specifics in each of those areas now.

Guerrilla Marketing

It's not a sexy topic. When I bring this conversation up in a consulting role, most operators reply, "Oh, yea, we do guerrilla marketing." Upon doing a little digging, I often discover that there really isn't any quantitative self-generating of marketing being done by the sales staff. Here's what you need to analyze:

•How many hours a week is each sales staff member going out into the community to actively market?

•When marketing, what exactly are they doing? Are they setting up lead boxes (yes, they still have a place), putting out take-ones, handing out flyers and coupons or establishing joint-marketing relationships with other retailers in the area? Having a mix is important, and here's why: Handing out materials is purely networking. Utilizing tools that generate a name, phone number or email address is prospecting. Sales reps need to be doing some of both to maintain a consistent flow of leads.

•Does your club have a system set up whereby networking tools like guest passes are driving prospects to an opt-in page where they retrieve the offer? This turns ordinary networking tools into prospecting functions. This is critical in a technology-driven world.

•Do you have a tracking system that ensures all activity and generated leads are documented and put into the appropriate CMS system?

•Are you using "Daily Leads Generated" as a KPI (key performance indicator) with



Casey Conrad

each salesperson? If you are not inspecting leads to ensure they are legitimate and having salespeople track and project new leads, you are not truly tapping into the potential of guerrilla marketing.

One final note on guerrilla marketing: Without exception, clubs that put a major emphasis on this area of sales (See *Casey Conrad Page 25*)

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Bill McBride's Club Industry Leadership Track Update

By: Bill McBride

Publisher's Note: We thought it would be a good idea to hear from industry leader, Bill McBride, about his new Leadership Track at the recent Club Industry Show in Chicago. So, the following is a comprehensive report/update from Bill on that special event.

Club Industry 2015, October 7-9, was the best Club Industry Show I've attended in recent memory. The energy and buzz were palatable, and I, personally, was thrilled for Club Industry as an organization and our industry at large. Everyone who knows me knows that I bleed IHRSA in every way, yet I also love Club Industry as the show I started with in my career as an attendee working at a small club in Fayetteville, North Carolina and the first

show I presented at on a national basis. I believe in a big tent. The IHRSA Show is typically on the West Coast, but it will be in Orlando, Florida, March 21-24, 2016.

The Club Industry Show has always been significant and held a nostalgic place in our industry, especially for the Mid-West/East and East coast. I've been honored to work with Penton Media and Club Industry in helping with the content and success of this past year's event. And, our Leadership Track this year was a resounding success. Brent Darden, Frank Ancharski and Allison Flatley made it so! They are three of the finest of the finest industry professionals! We delivered an integrated curriculum that also allowed each session to stand alone in content and take-aways. The "graduates" gave extremely positive initial feedback of the program. In my opinion, it hit the desired mark dead center. Here's a summary of the curriculum and highlights. Next year will be an even bigger and better event for Club Industry as it moves to the new Hyatt venue!

- Leaders must be "keepers of the club culture;"
- Practicing the art of organizational evangelism is a leader's role;
- The "tell me - show me - involve me" formula empowers followers;
- Full spectrum leadership means seeing the big picture and making decisions with all constituents in mind;
- Identifying and implementing pride builders is accomplished by: (1) empowering front-line associates, (2) explaining the "why" of everyday work and (3) rewarding and recognizing employees in a personalized way.

#2: Strategy and Financials - Bill McBride, CEO of Active Wellness & BMC3: Strategy and the Financial Delivery of Results are the bedrock of business success. You must have a plan in every business endeavor and be able to measure the impact of the plan on financial results. This session was about planning, designing your approach and delivering/measuring success (and failure) to make course corrections.

Club Industry 2015 Leadership Track

The Curriculum: Five integrated courses culminating in a panel discussion with Leadership Certificates issued to those that attended four of the five sessions.

#1: Leadership and Management for Fitness Leaders - Brent Darden, Principal, Brent Darden Consulting: Effective leaders set direction, align resources, inspire action and accept responsibility for results. They understand that multiplying and inspiring the performance of followers is one of a leader's greatest gifts.

- Leaders are the drivers of strategic thinking on all aspects of your business;
- Proactive strategy is key versus reactive actions;
- Strategy drives customer metrics and customer metrics drive revenue outcomes;
- Strategic thinking is required in every department and every personal area of responsibility and accountability;
- Every club owner, manager or department head benefits from some structure around strategic thinking and outlined strategy;
- Vision, mission and core values are foundational and shouldn't be taken for granted; revisit often and include (See Bill McBride Page 27)

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(L to R) Allison Flatley, Bill McBride, Brent Darden and Frank Ancharski

...Casey Conrad

continued from page 23

competency are more successful than their counterparts that don't. Guerrilla marketing is inexpensive, reaches locals, helps establish better community relations AND makes a salesperson take responsibility for his or her success as a fitness professional.

Point-of-Sale Referrals

For years, I have been a passionate advocate of a structured point-of-sale referral process. Many people tell me that, in today's culture, POS referrals are not practical. *Baloney!* I have lots of clients who are still very successful with getting referrals. The key is that they focus on it and ensure their salespeople have the skills and tools necessary. The components needed to implement a system include:

- A clearly defined policy for guest passes ensuring that the passes offered new members during their enrollment process have a greater value than any other pass available to members or the general public at any other time.
- A written script that all salespeople memorize and which informs new members of the club's guest policy and introduces them to the new member special pass program emphasizing that it is a new member-only privilege and has a short expiration date, i.e. that these particular passes expire 2-4 weeks after enrollment.
- A cap on the number of passes given to each new member, which helps to create the scarcity component.
- Professionally prepared and printed materials, which include a referral form and passes.
- An accountability system that ensures salespeople are actually attempting to get referrals at the point of sale.
- An incentive system that encourages members to refer their friends. This can be gifts, credits on their club account or monetary prizes. These prizes can be identical as the clubs' existing member referral campaign (which a club should have 3-4 times a year), BUT the passes for new members should always be a greater length than any other passes available to members or walk-ins (I said this in the first point, but it is so important that I wanted to say it again!).

Clubs incorporating all these elements have enjoyed a tremendous success with point-of-sale referrals (assuming their salespeople use the system AND ask). Of course, the number of POS referrals should be a KPI on your club's sales forecast sheet for each individual. How many referrals they are getting is a major indicator of their long-term success in today's competitive environment.

Sales Systems & Skills

Combining the club's marketing

efforts with the salesperson's guerrilla marketing and referral efforts should result in an adequate number of new leads visiting the club. Now, the salesperson must ensure that those valuable leads are converted into happy, new members. If I came in to analyze your club sales team, these are the core competencies I would evaluate:

- Is the club following a specific system for selling? This means that each person has been properly trained in the steps to selling, they have memorized those steps, they know how to use all the tools and they have passed both written and verbal/role playing tests before ever being able to work with a prospect.
- Does the salesperson have the meet and greet questions memorized? (How can I help you? How did you hear about us? Have you been in before? Who is the membership for? Does your schedule allow for a complete tour today?)
- Does the salesperson use a professionally printed Needs Analysis (qualifying) sheet that asks all the appropriate questions about exercise history, goals and motivation and potential roadblocks?
- Does the salesperson give a professional tour utilizing the skills of features and benefits? Are they getting small commitments from the customer throughout the touring process to make sure the club is meeting all their needs and wants and that all their questions are being answered?
- Does the salesperson know how to give a dynamic price presentation? This means that they know the various programs without having to look them up, they are able to discuss those programs specific to what the prospect showed interest in and they are totally comfortable with asking for the money.
- Does the salesperson know the 6 steps to overcoming any objection? (Be quiet. Align with the prospect. Question it nicely. Isolate the objection. Find a solution. Re-close.)
- Can the salesperson comfortably role-play and overcome the major objections to buying utilizing the 6-step format?
- **IMPORTANT NOTE:** Whether it is 6 steps, 8 steps or some other number, the key here is systems and scripts! The true test is to role-play with a salesperson four times in a row, giving them the same objection. Do they follow the same format or are they totally BSing their way through the process? Top salespeople have a specific step-by-step process for overcoming all the major objections. [Think about it (smoke screen to real objection). Money. Spouse. Time. Shop other clubs. Commitment.]
- Does the salesperson follow the point-of-sale referral process with every new member? What is his average number of POS referrals? As was stated earlier, this is a major KPI.
- Does the salesperson know how to successfully book a non-enrolling prospect into the next step of the sales cycle? We call this establish a course of contact. This means booking them in for another appointment to the club (perhaps a

workout) or a phone appointment.

These are the basics. I am truly amazed to discover how many salespeople are literally flying by the seat of their pants when it comes to the sales process. Even those that had been given a system may not be following it because there is no ongoing role-playing and accountability. By constantly sharpening your sales team skills, you will keep them selling at the highest level.

If you've been in the industry for any length of time, you may be thinking to yourself, "This hasn't told me anything new." You may be right, but after all these

years as a sales trainer, I have learned that it's *execution* that counts. When was the last time you went through your sales department and really took an inventory of the tools they are using and the skill sets they are (or are not) displaying? January is coming! Now is the time to roll up your sleeves and get your sales team tuned up. (Casey Conrad has been in the health and fitness industry for over 25 years. She has authored over 30 different books, audios and DVDs in the area of sales and marketing for health clubs. To learn more about free resources on sales and marketing, visit www.HealthClubSalesTraining.com or email her at Casey@CaseyConrad.com.)

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Why Country Squires are Important for Your Marketing Success

By: Robin Schuette

Country Squires, Big Fish, Small Pond or Upward Bound. Are any of these lifestyle clusters represented in your market? Here's why you may want to know more about Prizm segments from Nielsen to discover the types of households with your best customers.

Our customers are our business. Consider refreshing your customers' profile with demographic trend data and lifestyle segments. Both reports are available from outside vendors and will improve marketing plans, communications strategies and even retention programs. To learn who your best customers are through a zipcode or household analysis, a data expert can produce reports to identify key prospects in your target market area. The reports can then become the basis for a direct mail strategy to produce new sales.

One way to target prospects in your market is through demographic analysis. For example, start with a Demographic Trend report from Scan US. This is based on U.S. Census data and examines the area by key zip codes. We typically request reports for the current year as well as five years, i.e., 2010, 2015 with projections for 2020. For example, if you're launching a new program for kids, you'll be able to examine household size today and five years from now. This is an inexpensive report and fairly straightforward to understand. Some analytical experience may be beneficial for determining relevant data and its implications for your business, but overall, it is a great tool for planning and marketing.

A zipcode or household analysis is a critical next step in segmenting the target market. Before purchasing a mailing list or launching a new ancillary business, such as a spa or yoga studio, this type of report is the basis for developing a targeted campaign. By knowing the lifestyle and buying habits of your prime customers, messages can be more effective. Here's an example of a Prizm analysis for a wellness center.

Membership Prizm Cluster Analysis
Process: Wellness Center, 40,000 Square Feet, 3,800 Members

Goals of performing a Prizm Cluster Analysis of a membership database:

- A. Understand which consumer segments have purchased our product;
- B. Determine which segments are prevalent in the capture area;
- C. Examine the demographic/psychographic qualities of these segments;
- D. Plan a direct mail campaign to produce prospects and sales.

In this case, the membership list has 3,861 addresses. These were then mapped and assigned at the Zip + 4 geographic level that Prizm has categorized into one of 66 cluster groupings:

1. The members of this Wellness Center are scattered across 54 segments at various levels of concentration. For example, Prizm classifies 71 of the addresses into grouping No. 10, which is Second City Elite with a member/household capture rate of 22%. While this is a fairly high rate, there are only 315 households in the market area.

2. Our goal is to examine those clusters with the highest capture rate and with the greatest number of households. These are:

Segment | Capture Rate % | Households

09 - Big Fish, Small Pond | 18% | 3384
 20 - Fast Track Families | 16% | 2108
 11 - God's Country | 16% | 1586
 05 - Country Squires | 16% | 2446
 13 - Upward Bound | 35% | 258
 10 - Second City Elite | 22% | 315
 12 - Brite Lites, L'il City | 27% | 284

These seven cluster groups are in the top 20, comprising one out of two households. The households are uniformly upper income and educated families, the majority without children (Fast Track Families and Upward Bound are the exceptions). Most occupations are in the education, professional, managerial, technical and business owners classifications. Household age range is 35 to 65 years.

Using the top 20 clusters, we purchased a mailing list of households within 20 minutes drive time of the Wellness Center. Current member addresses are removed from the list. The goal is to use the list multiple times per year with targeted postcard mailings for membership and ancillary business promotions.

Next Step, Targeted Messages

To best create a direct mail campaign, it's worthwhile to read and understand the lifestyle choices of the top clusters in your market. PRIZM's 66 segments are numbered according to socioeconomic rank, which takes into account characteristics such as income, education, occupation and home value. On Nielsen's website, you can find all the definitions of the Prizm segments including this one:

**God's Country:
 Upscale Older Without Kids**

When city dwellers and suburbanites began moving to the country in the

1970s, God's Country emerged as the most affluent of the nation's exurban lifestyles. Today, wealthier communities exist in the hinterlands, but God's Country remains a haven for upscale couples in spacious homes. Typically college educated Baby Boomers, these Americans try to maintain a balanced lifestyle between high-power jobs and laid-back leisure.

Demographics Traits:

Urbanicity: Town/Rural
Income: Upscale
Income Producing Assets: Elite
Age Ranges: 45-64
Presence of Kids: HH w/o Kids
Homeownership: Mostly Owners
Employment Levels: Management
Education Levels: Graduate Plus
Ethnic Diversity: White

It's Personal: Targeting the Customer

There are so many ways to communicate, we often forget the best method is direct with **personalized** emails and direct mail. These are effective vehicles because results can be measured as opposed to digital communication channels. While there are some general metrics being used for digital responses, they aren't ideal for identifying best customers. Fans or followers may not even live in your market area.

Once you learn more about the household segments in a specific target market, work with a copywriter to tailor a unique selling proposition for direct mail campaigns. With digital printing, it's now economical to alter headlines or images on a postcard for several customized approaches. Segmenting the audience is very easy in email marketing programs, but unfortunately, list purchases through Nielsen do not include email addresses. It's critical to gather emails through your website as well as address information.

Here are some examples of headlines targeting the God's Country segment:

- Make An Investment In Yourself;
- We Can Help You Live Better, Longer;



Robin Schuette

•A Small Investment of Your Time Can Pay Off In A Lifetime of Benefits.

The images we used for this campaign featured adults older than 45. Our tactic was to reach educated consumers who had not worked out for some time. We also promoted the value of fitness versus discounts. As the high-price leader in the market, we did not want to cheapen our product.

Today, our messages are so fleeting. Just getting seen is a real challenge. We need to repeat key messages constantly, and they must be consistent across all channels. Because of the need for repetition, targeting is critical. Focus on the groups that will have the biggest impact on your business growth.

For more information on Scan US or Nielsen, please email me, and I will connect you to our customer service representatives.

(Robin Schuette is co-owner of MedFit Partners, medfitpartners.com, and a communications navigator for wellness centers, fitness clubs and spas. Robin helps businesses choose their best digital and traditional channels by targeting best customers, and creating consistent and awesome content to improve ROI. You can reach Robin at 847-475-2185 or rschuette@medfitpartners.com. Visit www.medfitpartners.com or view on Twitter: @Medfit1 @SchuetteRobin)

**Make
 It Fun!**

Honor Yoga Starts “Wellness And Recovery” Division of Yoga Programming

NEW JERSEY - Honor Yoga, the leading family of the mind-body connection through yoga, is excited to announce the further expansion of their yoga programming to include “Wellness and Recovery,” a program designed to use the many aspects of yoga including meditation and psychology to increase the overall mental, physical and emotional wellbeing of individuals who may be living with stress, anxiety, depression, trauma and/or addictions.

The newest division, led by Dr. Nathalie Edmond, will focus on three key components to support the wellbeing and recovery of all individuals, especially those that have experienced trauma or are going through recovery, using the various aspects of the physical practice of yoga, mindfulness, meditation and psychology to live a life with ease, compassion and strength. Honor Yoga Wellness and Recovery will offer specialized workshops, individual consultations and small group

classes to help individuals build skills and enhance wellbeing.

The director of Wellness and Recovery, Nathalie Edmond, Psy.D., RYT-200, is a licensed clinical psychologist with over twelve years of experience providing individual therapy, group therapy and workshops. She has been the director of a women’s trauma program and overseen mental health and addiction programs for children, adolescents and adults.

“The success and growth of Honor Yoga demonstrates that more people are recognizing the physical, emotional and spiritual benefits of a yoga practice. The Honor Yoga team saw this as a need for specialized programs, classes and workshops that cater to a very specific group,” Dr. Edmond said. “I’m honored to be leading this new division, and I look forward to working with Honor to not only share my own experiences, but give our community the skills they need to heal and enhance the quality of their lives by

integrating yoga with psychology.”

Dr. Edmond is trained in mindfulness and meditation and has a daily personal practice. She believes in mindful living and creating space for people to connect with their true selves, whether that is on or off the mat. She has been intensively trained in Dialectical Behavior Therapy, which uses mindfulness and Cognitive Behavior Therapy to help people deal with difficult emotions. She has also been trained in Sensorimotor Psychotherapy (body oriented approach to the treatment of trauma), Mindfulness Based Compassion Therapy, Mindful Yoga Therapy, Restorative Yoga, Yoga for 12 Step Recovery (Y12SR) and Reiki. She became a yoga teacher because she recognized the healing elements of yoga and the many parallels between one’s yoga practice and how one approaches life.

Through the wellbeing pillar, participants of this newest division of Honor Yoga can enhance their overall

wellbeing by promoting mindful living, cultivating compassion and gratitude, balancing being mode with doing mode, learning to live more in the moment, embracing a wider range of emotions and experiences, learning radical acceptance, improving confidence and enhancing relationships.

Individuals who are working on recovery from a wide variety of concerns such as depression, anxiety, bipolar disorder, grief and loss, addiction, and eating disorders will be able to learn mind-body techniques to cope with and overcome such issues through a physical practice, meditation, breathwork, mindfulness-based cognitive behavior therapy approaches and more.

For those who have experienced various types of trauma, programming will provide a necessary opportunity to further support their healing process. Research is showing that the imprint of trauma is held
(See Honor Yoga Page 29)

...Bill McBride

continued from page 24

in planning;

- A Strategic Plan is a *must-have* in delivering as designed;
- Use strategy for your decision making, with a firm understanding of your market and competitive landscape;
- Create your Value Proposition (Price/Offering) and Value Chain (Expense of Delivery); don’t let it happen by accident;
- Understand the financial metrics involved in achieving your strategic plan.

#3: People Performance for Fitness Leaders - Brent Darden, Principal, Brent Darden Consulting: People, performance and priorities are three “*legs of the stool*” that are the foundation of great organizations. Focusing on these elements drives culture and meaningful outcomes.

- Leaders must absolutely ensure alignment and engagement of followers;
- Winning the talent acquisition war is critical and deserves priority attention;
- Diligently identify, fortify and multiply the “right” kind of staff members;
- Use the “leaders invitation” to build commitment;
- Igniting the discretionary energy of team members takes consistent and targeted effort;
- Remembering to distinguish the “important” versus the “urgent” is key to long-term success.

#4: Unlocking The Service Within Us - Frank Ancharski, Chief Operating Officer, American Family Fitness 24/7: Most importantly, understand that each one of us has within ourselves the ability to improve our service offering and develop/nurture a Servant Leader mindset... and

that it can be taught and shown. It may take some time and patience; however, each one of us has within ourselves a key if you will, perhaps one we never even knew existed, to unlock the magic of service towards another human being.

- Never discount the hiring process. As we know, due diligence for recruiting and hiring right makes finding those with “the keys to service” much easier. I’ve found that good recruits in this business want to help, serve and make a difference. They are just not quite sure how at times. Starting with that base from the hiring “gates” goes miles in unlocking that which is already within all of us;
- Doing such locksmith type work can eradicate the attrition challenge we face, and service is the way to success;
- Mission can be translated into service delivery, and service is and must be a team game;
- Sharing is a hallmark of learning from each other in this business;
- We have stories to tell of “Faithful Service,” sharing real life examples with our teams paints the service picture for them;
- Promises are our bonds and cannot be broken nor made lightly, and they must be kept... for ourselves if anyone else is to unlock service secrets and maintain our team integrity;
- We told a secret, THE SECRET of love and gratitude leading to the Law of Attraction (We get what we think about);
- Lastly, we watched videos of what it is really like to understand the TRUTH, truths of service and truths of appreciation.

#5: Programming for Fitness Leaders - Allison Flatley, COO, Corporate Fitness Works: To ensure successful fitness

programming, know your target audience. You must remain focused on the needs of your target audience by leveraging your demographics and member analytics. And, most importantly, don’t try to be *everything to everyone*.

- The goal for fitness programming is engagement: engagement to drive retention, revenue, positive behavior change and/or new members. To measure success, collect relevant data that supports your goal and be a self-advocate; and
- Successful fitness programming is dynamic. Be willing to take risks with programs, dare to be different and create a FOMO (fear of missing out) with your membership. The leadership skills needed for successful programming are learned at a young age through play. Bring that element of play to fitness programming, have fun with your audience and seize the opportunity.

• • •

As you can see from the advice of our advisors, the program was chalk full of extremely valuable advice and learning. These were just some of the summary highlights. Please consider attending next year for a deep dive in content, real life examples, interaction and a “boot camp” on leadership that will most definitely make any attendee much better. This year’s lineup made me a lot better! Thank you for those that sent their team or attended personally.

Some of the **best training and development programs** we have:

- The **IHRSA Institute (Aug 2-5, 2016)** - A deep dive immersion program in Chapel Hill, North Carolina. This is the most

comprehensive deep dive club management program currently in existence.

•**Club Industry Show - Leadership Track (October 12-14, 2016)** - A Comprehensive program that I promise will deliver ROI for developing our teams and us individually in a 1-day format.

It’s a given that EVERYONE needs to be at IHRSA 2016 in Orlando, Florida (March 21-24, 2016)!

Remember the analogy: “Is it better to train and develop team members and have them possibly leave after training OR not to train them and have them STAY?” We all know the answer; we must commit to more training and development to ensure the success of our people and our businesses! Let’s take advantage of the opportunities, programs, Webinars, Podcasts and live interactive trainings our industry has to offer

Onward!

(Bill McBride is President & Chief Executive Officer of Active Sports Clubs and BMC3. Bill is a health club industry veteran with over 25 years of experience leading and managing all aspects of commercial health clubs, medical fitness centers, community centers and corporate fitness centers. He owns BMC3, a health club consulting company, and most recently, he and partners launched Active Sports Clubs in January of 2014. Bill has served as Chairman of the IHRSA Board of Directors. Bill can be reached at BillMcBride@BMC3.com or 415-299-9482. Visit www.BMC3.com or check out www.linkedin.com/in/billmcbride or www.twitter.com/billmcbride65.)

Commit or Not Commit

Long-Term Contracts vs. Short-Term Contracts

By: Stephen Tharrett and Mark Williamson

A Historical Perspective

The question of whether a health club operator should build his value proposition around offering long-term membership contracts (minimum of 12-month duration) or short-term contracts (month-to-month) has been around since the inception of the modern era in 1947 when Vic Tanny introduced the modern health club and the long-term contract. Early industry pioneers such as Vic Tanny and Ray Wilson, and later, their protégés and colleagues who operated U.S. Health and Tennis (later becoming Bally Total Fitness) and other regional firms, were strong proponents of long-term contracts. During the early years of the industry, it was not unheard of for operators to offer 1-year, 2-year, 3-year and even lifetime contracts. It was not until local government authorities got involved in the 1970s that regulations governing the length of a membership contract were introduced to the U.S. industry. By the last half of the 1970s, health club operators had begun to introduce pay-as-you-go plans (pay when you actually use the club) and alternative monthly membership plans. Fast-forward to the 21st Century and an interesting paradigm arose between what health clubs offered and what health club consumers desired.

Trends From the Past Decade

According to data reflected in IHRSA's *Profiles of Success* from 2002 to 2006 (the question was never asked after 2006), there was a significant difference between what clubs offered to its members and what its members actually purchased. On average, approximately 71% of clubs offered membership contracts of at least one year's duration (48% offered 12-month contracts and 23% offered contracts of greater than one year). When it came to month-to-month agreements, 75% of operators made these available to consumers. You could say that, during that 5-year period, few, if any, operators made a commitment to any one particular type of membership contract offering.

Data from the aforementioned reports also show the percentage of consumers who purchased either an annual contract or a month-to-month agreement. This data shows that, while close to 50% of clubs offered an annual contract with an annual renewal option, on average, only 17% of consumers took the bait. Concurrently, while approximately 75%

of clubs offered month-to-month contracts, 46% of consumers purchased them. Fast forward to 2015 and data from IHRSA's recently release *One Million Strong*, a study of member retention among one million U.S. health club members, shows that 79% of health club consumers prefer to purchase a month-to-month contract.

The Pros and Cons of Long-Term and Short-Term Contracts: The Member and Operator Perspective

Pros of Long-Term Contracts:

It commits the purchaser to a larger payment over time (Note: Usually the long-term contracts have smaller monthly outlays than month-to-month). When a prospect purchases a long-term contract, they are committing a larger portion of their wallet to the purchase, even if they don't use it often. This is good for the club.

Greater productivity and more efficiency. Members who purchase a contract are paying the club even if they don't use it. Operators love this: high revenue, low usage, and ultimately, greater margins.

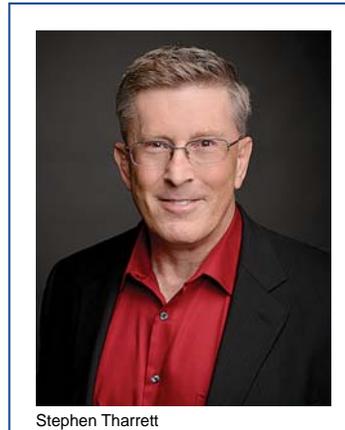
Members remain longer. According to the recently released *One Million Strong* by IHRSA, members on contracts are far more likely to remain a member after one year than those on a month-to-month agreement (86% vs. 62%) as well as after two years (76% vs. 35%).

Members on contracts are likely to spend more. In a study of cell phone consumers that appeared in a 2013 issue of the *Journal of Service Research*, subscribers (those on long-term contracts) were found to spend 4.5x as much as those on a pay-as-you-go plan.

Super consumers love them. Approximately 5% to 10% of all consumers are defined as Super Consumers. These are individuals who are loyal to a brand, use it a lot and also spend a lot with a brand. Consumers who know they will use the club frequently see a considerably lower cost per visit on a contract than they do on a month-to-month agreement. If you can identify these Super Consumers or high frequency users, they are the best candidates for a long-term contract.

Cons of Long-Term Contracts:

Few consumers purchase them. As IHRSA data shows, in particular the 2015



Stephen Tharrett



Mark Williamson

data, the vast majority of members chose to go with a month-to-month agreement. If consumers don't like long-term contracts, and that is what your business offers, then the chances are they will go somewhere they can get a month-to-month agreement. What they won't do is purchase something they are opposed to.

Consumers shy away from commitment; they want flexibility. In a 2007 study entitled, *Fitness American Style – III*, released by IHRSA the same year (Figure 5), 46% of consumers preferred a pay-as-you-go plan, and 28% preferred a month-to-month plan. Only 14% indicated they would select a contract. Consider what is happening with boutique studios today where pay-as-you-use is the dominant offering followed by month-to-month options. Today's Millennial consumers are commitment phobic when it comes to contracts. They want the ability to choose and pay as they use it. If you don't offer a choice, then consumers will make their choice.

They are a leading cause of consumer complaints. The leading complaint that the Better Business Bureau in the U.S. receives about health clubs, and also among the leading complaints received by State Attorney Generals in the U.S., are those about membership contracts. Consumers regularly complain about the difficulty of getting out of a contract or being auto-renewed when they didn't expect it. In today's socially connected universe, one complaint, especially if posted to one of the many social platforms can be a brand killer. Why risk it unless you know the consumer you are selling to won't have a problem with the contract down the road.

Switching from One Type of Contract to Another: How to Make it Work

At some point, many club operators will be faced with the daunting challenge of converting from one form of agreement to another, possibly because of government regulations, rebranding or in an effort to seek a competitive advantage. Well, switching is never easy. According to an article entitled, *Persuading Consumers to Sign a Long-Term Contract*, that appeared in the *Journal of Service Research*, getting cell phone users to switch from a pay-as-you-go plan to a contract was extremely difficult. In this study of 300 cell phone users, only 22% were convinced or coerced into switching from a pay-as-you-go plan to a long-term contract. Data pertaining to switching in the other direction, going from a long-term contract to pay-as-you-go or month-to-month is non-existent or hidden deep in some archives.

Tips for Moving Members from a Month-to-Month Agreement to a Long-Term Contract:

Offer them a considerable financial benefit. With cell phone consumers, the aforementioned study showed that by getting consumers to download apps, games and related items, it caused them to use more time and data, which drove their costs up, which in turn made a contract more attractive. For club operators, you would need to make the financial value of the contract to be a great deal compared to the monthly offering. You don't do this by increasing the price of the monthly contract; instead you provide a discount for the long-term contract. The boutique studios take this approach when selling bundles, typically offering discounts of 10% to 20% on a per session rate. In the

(See *Contracts Page 29*)

...Contracts

continued from page 28

service industry, many consumers don't blink until the discount for a contract is at least 20% below the pay-as-you-go price.

Offer them something they can't get under a month-to-month plan. Besides a significant financial discount, the second most valued enticement for getting consumers to switch is to offer them something they can't get with their current plan. And, by the way, make it something they desire. This offer can't be generic, or it will fail. Some consumers may want a complimentary massage, others a personal training session and others access to small group training classes. As a result, when you offer something they can't get and desire you have to customize it or offer it as an in-club credit. In-club credits should be equivalent to at least a 20% discount on monthly payments for the term of the agreement.

Seek out your frequent users. The consumers most likely to benefit from

a long-term contract are those who use the club regularly. Since they visit frequently, they will see the financial value of committing to a long-term contract. Pursuing low frequency users will ultimately lead to failure.

Tips for Converting Long-Term Contract Members to Month-to-Month Without Losing Them:

Unless their cost is going up or benefits are going away, it shouldn't be that hard. In the process of changing members from an annual contract to month-to-month and the price is not changing by more than 5%, then it shouldn't be too much of a challenge. If the price is going to go up more than 5%, then that is when the change becomes a monster.

Don't take benefits away immediately. Most members on a long-term contract did so because they saw a benefit, either in terms of the perceived cost per visit or in the opportunity to leverage a specific benefit. Service providers all too frequently remove benefits when they make this

change, and in most cases, it leads to consumer complaints. As a result, consider keeping these benefits, including any price advantage in place for a period of at least 90 days. Extending your members a period of transition in which they don't lose benefits will go a long way toward reducing the number of complaints, especially if the cost to the member will be going up.

Begin with your fans. Anytime you make change, it's easier to start with those who are loyal to you. They are already fans of your club, and as a result, will be easier to convert and later become apostles with the other members in promoting the benefits of the change. When you use your fans to help with the conversion process, consider offering them a little incentive as a way of saying thank you.

In the end, the decision as to whether to offer long-term contracts, month-to-month agreements or a combination of the two goes back to the club's positioning and business strategy. If you deliver a premium or luxury experience, personal attention and a high quality product (e.g.,

average monthly price point exceeding \$75 a month or boutique studio), chances are a month-to-month or other pay-as-you-go approach will reap you the greatest rewards when it comes to member loyalty and profitability. If instead, you are in the budget sector (e.g., average monthly rate of less than \$25 a month), you are more likely to benefit from using long-term contracts.

(Stephen Tharrett and Mark Williamson are the co-founders of ClubIntel, www.club-intel.com, a brand insights and member experience firm. Together, they have over 50 years of experience in the club and hospitality business. Stephen was formerly the CEO of the Russian Fitness Group, Senior Vice President of ClubCorp and President of IHRSA. Mark has been a VP of market research, consumer insights and employee insights for ClubCorp, Match.com, Brinker International and Applebee's. They can be reached at stevet@club-intel.com and markw@club-intel.com)

...Honor Yoga

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in the body and in our ways of relating/ coping with the world. Yoga can help one become more positively connected to

one's body in a safe way as well as develop mastery. Specific skills can be taught to help people deal with their emotions, whether it is feeling too much or too little.

"Honor focuses on making yoga accessible to all and providing yoga as an

alternative resource for those to manage trauma, stress, or a variety of challenges that life presents to us. Through a yoga practice, students can seek the emotional, physical, and mental benefits that will support the management and balance of life," states Maria Parrella-Turco, Chief Officer of Honor Yoga.

"As Honor has grown over the years, we are finding more students coming through our doors that are seeking

a way to cope with life's challenges including traumatic situations, drug and alcohol addiction, anxiety, depression, eating disorders, and a variety of other challenges. It was important for us to develop programming specific to these individuals in a safe, welcoming, and nurturing environment to face these obstacles and learn the techniques to cope with these things from day to day."

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Programming For The “Fun Of It!”

Small Group Training Management Success Wrap Up

By: Laurie Cingle, M.Ed.

Success with Small Group Training (SGT) is based on 7 Keys: (1) Leverage Your Offerings, (2) Hire and Retain Champion SGT Trainers, (3) Define Metrics, (4) Identify a SGT Manager, (5) Create a Space, (6) Outline a Marketing Plan and (7) Develop a Budget.

To wrap up the discussion of Small Group Training Management, here is a list of all ten articles in the series that were published monthly between January 2015 and October 2015. They are archived and accessible on the CLUB INSIDER website at www.clubinsideronline.com/archives. The list below provides the article title, the month and year it was published and a brief description of the content. I hope the

information provided you with ideas for growing your business:

Small Group Training Management - 7 Keys to Success, February 2015: Comprehensive overview of the seven keys essential for successfully managing the SGT business in a fitness center.

Leverage Your Offerings for Small Group Training Management Success, April 2015: The discussion of Key #1 outlines three strategies to best determine what SGT programs to offer.

Recruiting and Hiring Trainers for Small Group Training Management Success, June 2015: Discussion of Part I of Key #2, building a team of SGT trainers.

Retaining Trainers For Small Group Training Management Success, July 2015: The continuation of the discussion of Key #2 provides ideas for retaining your trainer team using both financial and non-financial rewards.

Define Metrics For Small Group Training Management Success, March 2015: Key #3 establishes measurable goals for your SGT team and using those metrics to identify opportunities for growth.

Leadership For Small Group Training Management Success, May 2015: Appointing an SGT manager (Key #4) with the right skills and experience to grow the business creates your best chance for success.

Create a Space For Small Group Training Management Success, August 2015: Creating a dedicated SGT area for maximum revenue generation and client safety is Key #5.

Outline a Marketing Plan For Small Group Training Management Success, September 2015: Key #6 outlines SGT marketing must-dos essential to growing participation and revenue.

Develop a Budget For Small Group



Laurie Cingle

Training Management Success, October 2015: Key #7 is about planning the ultimate success of your SGT business.

Pricing Small Group Training, January 2015: Five steps to setting realistic and profitable pricing for SGT programs.

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

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Thanks and Appreciation

At CLUB INSIDER, we are excited to be in our 23rd Year of this home-based health and fitness club trade newspaper! The thought that this newspaper was founded to serve an industry I truly love, and so that I could become a Mister Mom for my son, Justin, is still intriguing and amazing to us. I wish to extend our most sincere Thanks and Appreciation to everyone that's made this amazing 23-year run possible.

A very sincere Thanks and Appreciation go to Rick Caro, Dr. Gerry Faust and the Faust Executive Roundtable #1 for helping me decide in 1993 what my home-based business would be. Thanks and Appreciation to my long-time friends, Ron Hudspeth and Cathy Miller of Atlanta's Hudspeth Report for the tremendous assistance they provided us during our first 8 years of publication. Thanks and Appreciation to all of the folks at Walton Press in Monroe, Georgia. They've done an absolutely excellent job for us all these years and have printed every one of our 263 monthly editions! Thanks and Appreciation to all of our READERS. Sincere Thanks and Appreciation to our CLUB INSIDER Advertisers, past and present, for their kind and dedicated support of this publication. It's amazing to know that we have several advertisers with over 15 years of continuous advertising with us. Plus, we have one advertiser, National Gym Supply, with over 19 years advertising with us! We also want to say sincere Thanks and Appreciation to all of our CLUB INSIDER Contributing Authors, past and present, who've contributed hundreds and hundreds of excellent articles to help our readers with their Best Business Practices. Thanks and Appreciation to IHRSA for all it does.

Sincere Thanks and Appreciation to my son, Justin, who started working part-time for CLUB INSIDER when he was just 8 years old (helping with mailings). This young man, pretty much behind the scenes for 23 years now, has truly been a fantastic partner for his Dad in CLUB INSIDER. Justin does our editing, publication layouts, all of our website design and maintenance, all of our bookkeeping and subscription processing work, as well as archive management and anything else that needs doing, including writing eight cover stories per year.

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

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

Norm Cates, Jr.

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