

Norm Cates'

CLUB INSIDER

CELEBRATING 28 YEARS OF TRUST

IHRSA 2021

Celebrating the Industry's Revival



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CLUB INSIDER

CELEBRATING 28 YEARS OF TRUST

IHRSA 2021: Celebrating the Industry's Revival

By: Justin Cates

The year 2020 was the longest on record... It wasn't any different in terms of time, from hours to days to weeks and months. But, the perception of time was definitely different. It was almost infinite. This year, 2021, seems to be going much faster. It's already November!!! Still, we want it to go even faster because 2022 is supposed to be back to "normal." We long for normal. However, as we have learned, it's during these times of abnormal that we have all hopefully learned the most in terms of how to better run our businesses during those "normal" times.

This should not be a lesson lost. In the future, no matter how fast time is perceived to be running at that moment, it's important to do what can be done to slow it down. Use the iterations from previous periods to learn and define, acknowledge and refine.

For our industry, one of the yearly

times we slow down, remove ourselves from daily business life (sort of) and come together is IHRSA's Convention and Trade Show. This year, after its cancellation in March of 2020 and the move of IHRSA 2021 from Los Angeles to Dallas, we finally all met in person. As **Liz Clark**, IHRSA President and CEO, said in her opening comments, "We did it; we're here!"

We were there, and we all did it! And, more of us will do so next year! By the way, IHRSA 2022 will take place in **Miami, Florida, June 22 - 24, 2022!!!** In the meantime, though, here's *Club Insider's* experience at IHRSA 2021. There was much more going on than we can cover here, so we welcome you to go to bit.ly/ihrsa2021 for on-demand options. And, **Sign Up for IHRSA 2022!**

A Welcome From Liz Clark, IHRSA President and CEO

At *Club Insider*, we are thankful to

have featured our *October 2021 Cover Story* on **Liz Clark**, IHRSA's President and CEO. She expressed some excellent insights within that article, but in her inaugural speech to IHRSA, she further brought forth the true characteristics of a leader. She was honest, realistic, optimistic, and utilizing all, set achievable and measurable goals.

As mentioned before, she started off saying, "We did it; we're here!" For me, this was really a great moment, maybe the best of IHRSA 2021. Like the butterflies any sports athlete gets before a game, I was nervous until this point. Then, it was game on!

Liz continued: "While we've adapted to how to do business, being here is a hell of a lot better than being on Zoom, Teams, Skype or any of those other things. I've never believed more in the importance of being together, and this is going to be a fantastic week. Thank you for showing up in Dallas. Thank you for all the hard things you did the past 20 months to survive. Thank



Liz Clark - Credit: IHRSA and The Photo Group

you for your patience with us as we worked our way through the pandemic. And, thank you for choosing me as your next leader. Being here today marks an important (See *IHRSA 2021* Page 10)

GENAVIX and Smart Health Clubs Join Forces to Create HealthyCARE®

Publisher's Note: During IHRSA 2021, I had the opportunity to meet and spend some time with **Mike Benton** (*GENAVIX*) and **Mike Alpert** (*Smart Health Clubs*). Together, they explained *HealthyCARE®*, a system they have created and are perfecting to allow health and fitness clubs to tap into the health care market. Through utilization of their model, all will be monetized, and most importantly, the end user will end up with a better outcome. Beginning in *January 2022*, via an article series, Mike and Mike will explain the ins and outs of their system and how it can help your club business and its users.

GENAVIX and *Smart Health Clubs* have joined together to create a technology platform and business model called *HealthyCARE*, which will enable the fitness and healthcare industries to engage and work together to support communities and employers across the country for the delivery of *Lifestyle Care* programs and services.

Their integrated platform will offer anyone within the fitness industry, at minimal investment, the ability to enter this large and emerging market and to monetize and create new health and wellbeing



revenue streams. From studios to large, multi-use facilities, each will be able to offer face-to-face and virtual programs and services while teaming with healthcare professionals locally and nationally.

Clients, employees and patients can now all seamlessly enroll to select programs or build a team of fitness and

medical professionals (trainers, coaches, practitioners, etc.) that work in conjunction under the same or different physical locations using a HIPPA-compliant fitness and telehealth platform.

Integrated exercise and educational programs, in concert with licensed (See *HealthyCARE* Page 6)

Inside the Insider: Edition #335

- Exercise IS Medicine - **By:** Mike Alpert
- The Member Experience Cycle: A Simple Tool to Enhance Retention and Sales - **By:** Karen Woodard-Chavez
- You Evolve or You Die... The End of the Fitness Industry as a Single Business - Part I - **By:** Thomas Plummer
- Are You Asking Your Sales Managers The Right Questions To Grow Sales? - Part II - **By:** Gary Polic
- A Health Club's Superpower - **By:** Terry Browning
- And, of Course, *Norm's Notes*

Norm's Notes

■Hello Everybody! This is your Club Insider Founder and Tribal Leader Since 1993 checking in with our 335th monthly edition as we rapidly approach the New Year! WOW! Boy-oh-Boy... has the time flown by this year! I, for one, will be very glad to put 2021 behind us! I say that because of the personal health issues I experienced just one day before the IHRSA Convention and Trade Show convened in Dallas, that I continue to deal with. So folks, you will notice I've written a Norm's Note that I have split into two parts and have placed it here and at the end of these Notes so that, if you are not interested in reading about the issues I have faced medically as of late, you can just skip it when you get to the end of these Norm's Notes. So, the second part of this Norm's Note is on Page #8.

■Is America a great country or what? Hmm... Hmm... Hmm!

■Sadly, a great American recently passed away, and that is Former Secretary of State, Chairman of the Joint Chiefs of

Staff, U.S. Four Star General COLIN POWELL, who died at age 84 (1937 - 2021). May late General COLIN POWELL REST IN ETERNAL PEACE!

■Folks, here's one for the ages. This special Norm's Note is about DEREK BARTON, my good friend in Southern California. Derek recently informed me that, on October 3rd, he had a near death experience from a severe heart attack. He went on to share a writing that is one for the ages. His brief writing is so entertaining that I have shared it with all of you, along with the photo of Derek in the hospital **Shooting the Bird at Death!** Before his involvement in the health and fitness club industry, Derek worked as a Hollywood Stuntman, and his stories about that era are amazing. Suffice it to say, his missive that follows is truly a classic. Here it is:

"The upcoming new James Bond movie, 'No Time to Die' had special meaning to me last Sunday evening. Allyson and I were sitting in our theater room watching a movie, when out of nowhere, I had a massive

heart attack. Allyson called 9-1-1, and the paramedics came and wheeled me out of my home on a gurney. They drove me like a bat out of hell to the UCLA Medical Center with Allyson following closely behind. After giving me a handful of aspirin and several shots of nitroglycerin to keep me alive, they pulled over to tell Allyson she could NOT speed through the red lights behind them. That made me smile as they sped off again. Allyson took another route and almost beat us to the emergency entrance. Gotta love her! About a dozen doctors and nurses were waiting for me like a scene from every medical TV show. They yanked me out of the ambulance and into the hospital. It was way too serious of a scene for me, so I tried to lighten the mood by saying, 'Thank you all for coming, I'll be here all week. Tip your waiters and try the veal.' The doctors who had the EKG machine readings from the paramedics made it very clear that they had to get me into surgery immediately. Allyson arrived to hear this, but she was not allowed to follow me up to the O.R. So, they wheeled me into this hectic elaborate operating room that looked like it was from the future. Next thing I know I'm lying there wide awake looking at the same monitors that my surgeon and his team are watching of my beating heart with the blocked arteries. I asked if they could change the channel and put on the baseball playoffs. The surgeon appreciated my sense of humor in the face of death but told me they needed an hour and half of concentration. I got the hint and watched the catheter that they shoved up my artery in my wrist to my heart to put the first of three stents in my two main arteries. One artery is called the 'Widow Maker,' because only 12% of people



Norm Cates



Derek Barton Shooting the Bird at Death

survive with the blockage I had. I couldn't help telling the surgeon and his team that, (See Norm's Notes Page 7)

About Club Insider

CELEBRATING 28 YEARS OF TRUST

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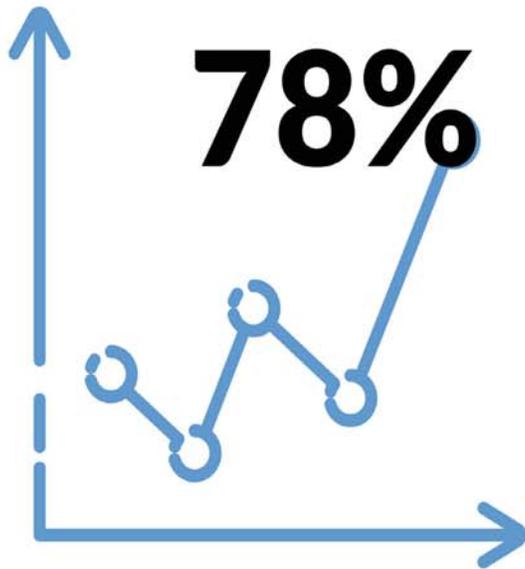
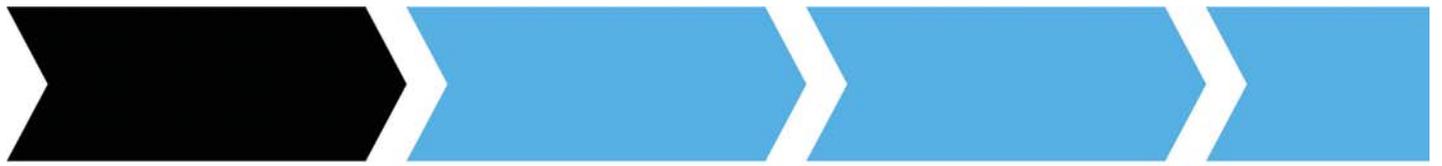
At Club Insider, we are excited to be in our 28th Year of this home-based health and fitness club trade publication! The thought that this publication was founded to serve an industry I truly love, and so that I could become a Mister Mom for my son, Justin, is still intriguing and amazing to us. So, I wish to extend my most sincere Thanks and Appreciation to everyone who has made this amazing 28-year run possible.

A very sincere Thanks and Appreciation go to Rick Caro, the late 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, formerly of Atlanta's Hudspeth Report for the tremendous assistance they provided. 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 monthly editions! And, of course, Thanks and Appreciation to the United States Postal Service for sending those editions to our readers! 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. Thanks and Appreciation to all of our Club Insider Contributing Authors, past and present. Thanks and Appreciation to IHRSA for all it does for all of us. And, sincere Thanks and Appreciation to my son, Justin, who has become our Publisher and is a truly great partner. You name it and Justin does it each and every month!

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. And, he would like to give his 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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Exercise IS Medicine

By: **Mike Alpert**

There have been several webinars and articles lately on how to compete in today's fitness market as we emerge from the COVID-19 pandemic. And, after returning from the recent IHRSA Convention in Dallas, I was very excited to finally see much of the focus and interest

on members' overall health and wellness, also bringing healthcare into fitness.

It is clear to me that, in order to thrive and grow into the future, every club must find its differentiator and become passionate and driven by it. It must become *WHY* you do what you do. It really becomes the lifeblood of your business: your culture; character and core. Also, every owner/

operator must look beyond their bottom line to what moves their bottom line, and that is simply: *People*.

Great people who become vested in and emotionally and spiritually moved make good companies *GREAT!* It becomes so much more than operating a good club and doing all the things that everybody who continues to be financially successful does: clean facilities, immaculate customer service, new equipment, etc.

For several in the industry, that differentiator has and will continue to be community outreach, and specifically, pushing forward the *Exercise IS Medicine* initiative and programs for chronically injured or chronically ill people and children who go without. We need to help merge health care and fitness. This is a huge opportunity for clubs that want to not only differentiate themselves from their competition but also to do the right thing by changing the minds and hearts of everyone.

All clubs need to be inclusive, open and welcoming to all populations, especially people who are disabled and/or chronically injured or chronically ill. During my 23 years at *The Claremont Club*, the majority of our programs were free and were funded mostly by private donations. Our club and its business model was proven to work in many unexpected ways, and in doing so, it moved and changed members, staff and multiple communities that we lived and worked within. All of us in this industry have the ability and responsibility to help build and maintain healthy communities.

For years, the industry has resisted working with non-profits and has considered them unfair competition. That may have had merit in the past, but I believe that, as an industry, we need to invite them in and begin working with them instead of trying to compete with them. These are some examples of what we did at *The Claremont Club*:

The Be Perfect Foundation is one. They were our partners in *The Perfect Step*, which was our program for spinal cord and paralysis clients. We also worked with *Pomona Valley Hospital Medical*



Mike Alpert

Center (another not-for-profit hospital) with our *Living Well After Cancer* program. Add to that *Kaiser Permanente* (another not-for-profit) that was a partner in our *Cycling for Parkinson's* program. And, I always welcomed input and sharing of information with *YMCA's*, *JCC's* and *Hospital-based Health Clubs*. There are too many other programs to list for a short article, but I think you get the picture. Our clubs offer a fantastic environment for many people that non-profits are committed to also working with. Believe me, non-profits can be great partners.

I can tell you that making your mission one of serving people in need and being an inclusive facility will play the major role in retaining your members longer and making them feel much more a part of your family. I believe that our club was living proof of this. Our average length of membership prior to the sale in January of 2020 was just shy of seven years.

Grow your revenue lines; increase your member retention and become a servant to your communities. **Exercise IS Medicine.**

(Mike Alpert is the COO of *Smart Health Clubs*. He can be contacted at mike@smarthealthclubs.com or 951 - 205 - 1136.)

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- Private Health Club Owner Client of Two Sites in the Midwest, U.S.

"I highly recommend Bill McBride/BMC3 on all challenges club operators face with their business. He relates well with the on-site team, ownership and is collaborative in delivering best practices. His expertise, authenticity, integrity and follow-through are beyond reproach. I trust him greatly."

- Private Health Club Owner Large Commercial Club in the Pacific Northwest, U.S.

...HealthyCARE

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nutrition counseling, behavior modification, stress management and the early detection of health risks are offered to deliver lifestyle intervention through direct pay or health insurance reimbursement. All services and programs are tracked and measured by the platform to validate the impact of the delivery of *Lifestyle Care* on both community and employer populations.

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platform will allow you to expand into new markets, grow your membership base and increase your margins as a member of the healthcare continuum! From facilities that choose to offer just local and virtual fitness-only offerings to those wishing to establish a practice and hire healthcare practitioners, you will be shown how you can monetize and grow your business using the platform and becoming a member of a *HealthyCARE* business model with minimal risk.

To learn more or to schedule a demo, contact mbenton@genavix.com or mike@smarthealthclubs.com.

...Norm's Notes

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if they saved my life, I would invite them to 'Ally & Derek's Heart & Soul Pub.' I have literally been at death's doorstep about 14 times during my life, but I'm always optimistic that I will survive. Happy to say I survived this one and enjoyed a good breakfast in ICU while giving a *sign to the Angel of Death* (See **Photo**). My surgeon dropped by my room today and said I could go home and that he and his team look forward to having a drink or two at the *Heart & Soul Pub*."

Derek called me to give me permission to publish his comments and run the picture of him in the hospital after his surgery. But, there's more! Derek also told me that, after his heart attack and major surgery, he was out of the hospital in six days, and three days after being released from the hospital, he played a round of golf! So, that must be some kind of record. In any case, we're thrilled for Derek and Allyson, as at age 69, he's cheated death and lives on! **Way to GO Derek! WOW!!!**

■ **Welcome back to The STEP Company and LOUISE IRWIN** as they rejoin the *Club Insider Advertiser Team*. Louise is the widow of Step Inventor, the late **LYLE RAY IRWIN**, who passed away in July of 2020, and we are honored to have them back onboard with *Club Insider*. The Step is one of the devices that helped start the group exercise movement, and it has continued to evolve over time. Check out the **Step Ad** on **Page #11**.

■ It's not too late to make plans to attend **The Club Industry Executive Summit**,

November 8 - 10 in Nashville, Tennessee. The event will feature a *fireside chat* with *IHRSA President and CEO, Liz Clark*, and **Gale Landers**, CEO of *Fitness Formula Clubs* and *Interim Chairperson of the National Health and Fitness Alliance (NHFA) Advisory Council*. Go to executivesummit.clubindustry.com to register today. Best wishes to our friends at Club Industry for a successful and well-attended event in Nashville.

■ **HERB LIPSMAN** is a long-time friend of mine, a veteran club operator and an all-around good guy in the club industry. I learned via LinkedIn that he's taken on the role of *Vice President /General Manager of The Riverbend Club at The Reserve at Lake Travis in the Austin, Texas*. Herb's start date was November 1, 2021. I also want to bring to your attention the fact that Herb has written a book entitled: *CARING*. **VAUGHN MARXHAYSEN** described the book as follows, "What's on your reading list? I just got a copy of Herb Lipsman's new book, *CARING*, and it is full of insights for club and hospital management. And, it also contains impactful lessons on caring for each other." Vaughn went on to describe the book as a, "Must read book for those who want to learn about business in a caring way." To order today, you can go to bit.ly/clubinsider138.

■ **KAREN WOODARD-CHAVEZ**, *President of Premium Performance Training*, and veteran *Club Insider Contributing Author*, has created and is introducing what she calls, "**Karen Woodard's Book Club Program**." Karen describes this as, "the newest tool to help your team achieve sales excellence." She calls it the, "*Sterling Sales*

Skills Book Club." Karen told us that, with a minimum purchase of her book, *Sterling Sales Skills: 125 Tips to Polish Your Sales Success*, your team will stay engaged with four 30-minute weekly book discussions. The purpose of the weekly discussions is to ask questions, clarify how to implement the tips into the selling conversation and maximize their sales success with the book in 30 days. Call Karen today at **(303) 417-0653** or email karen@karenwoodard.com to arrange your Book Club program today. And, see **Karen's Article** on **Page #18**.

■ **Why use a recruiter?** That's the question

posed by **JEFFREY RANDALL** and his business partner, **DENNIE NOECKER**. And, the following are the answers they provided to that question:

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...Norm's Notes

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many managers or owners simply don't have time to do. Besides providing qualified candidates quickly, we can help your company throughout the hiring process... discussing compensation parameters based on our knowledge of the industry and factoring in competition, job responsibilities and geographic location. We then reach out to those candidates, arrange interviews and assist with salary negotiations all while maintaining the strictest confidentiality.

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Here is the aforementioned continuation of my **Norm's Note** from **Page #4**. In this Note, I describe what I've dealt with health wise over the past two weeks. As I write this **Norm's Note** to you at 6AM on Thursday morning, October 21, 2021, I'm still dealing with one of those health problems. This one is a real doozy, and if anybody has any suggestions, I certainly welcome and would appreciate hearing from you about what I might try to do to get rid of this pain. Please call me at (770) 635 - 7578 or email at norm@clubinsideronline.com to share your ideas.

Here's the really painful problem in a nutshell. For nearly two weeks now, I've been experiencing extremely severe pain in the left side of my lower back and on the front side of my left leg thigh muscle. For background, I've done nothing physically that would have caused these two separate but acute areas of pain, which are very severe pains to be happening in two separate places on my left side. Sadly, they happened to me on the day before I was booked to fly to Dallas, Texas for our IHRSA's 40th Anniversary Convention and Trade Show. To say that I **TRULY HATED MISSING** that very special IHRSA 40th Anniversary event is an understatement. To that point, I had never missed one!

So, sadly on that day, October 13, 2021, instead of catching my Southwest Airlines flight to Dallas, Texas, I went to the massive Kennestone Hospital Emergency Room in Marietta, Georgia. There, I spent seven hours before they ruled out via an MRI Test what I thought was happening with me... I thought I was having another kidney stone, a truly awful affliction that I've had twice in my life. Trust me when I say to you, my dedicated readers, it is **my sincere and honest hope and wish that none of you EVER have a kidney stone!** Other experts have likened the pain of kidney stones to being as painful as childbirth! After having lived through 2 kidney stones years ago, I understand why they would say that!

My goal for this Norm's Notes was to tell all of you who care about this strange health dilemma I have been coping with,

and to ask anybody who has any ideas that might help me to please fire away. I will greatly appreciate any HELP I can get! **SO... Stay Tuned, Folks!** And, I hope to see you at **IHRSA 2022** in *Miami, June 22 - 24, 2022!!!*

■ **JUSTIN** and I want to say **Thanks for reading Club Insider!**

■ **Are you a Paid Subscriber?** *Club Insider* is a *Paid Subscription-based Publication*. If the words "**PROMOTIONAL COPY**" appear above your name and address on the cover of this month's edition, *you are not a Paid Subscriber*, so you are not enjoying the *full benefits* of a *Paid Subscription to Club Insider*, which includes **new print and online editions and online access to ALL PREVIOUS editions**. So, *don't delay*, subscribe today for just **\$89 for one year, \$149 for two years or \$10 a month** by going to www.clubinsideronline.com/subscribe.

■ **God bless our troops, airmen and sailors worldwide and keep them safe. Thank you, Congratulations and Welcome Home** to all of our troops who have served around the world. **God bless America's Policemen and women and Firemen and women; keep them safe. Finally, God bless you, your family, your club(s) and your members. God Bless America! Laus Deo!**

(Norm Cates, Jr. is a 47-year veteran of the health, racquet and sportsclub industry. He is the Founder and Tribal Leader Since 1993 of *Club Insider*, now in its 28th year of monthly publication. In 1981, he was IHRSA's First President, and a Co-Founder of the Association with Rick Caro and five others. In 2001, he was honored by IHRSA with its DALE DIBBLE Distinguished Service Award, one of its highest honors. And, in 2017, he was honored with *Club Industry's Lifetime Achievement Award*. He can be reached by phone at 770-635-7578 or email at Norm@clubinsideronline.com.)

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P.S. Your members are taking their nutrition and wellness money elsewhere. We will show you how to keep it in your club! Visit WellnessSuccessBlueprint.com to get your FREE Wellness Success Blueprint now!

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OUR GUARANTEE

Within TWO WEEKS of Applying Our Systems, You WILL Make Money! If you don't make money, we will do all the work for you, to see that you do!

...IHRSA 2021

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milestone in our industry's recovery. And, while being here can be seen as symbolic, we're also here to do business."

At this point, Liz explained that the first-ever IHRSA Hybrid Program was allowing industry colleagues in over 50 countries, many of whom could not yet travel to the United States, to be able to experience IHRSA in a remote, yet still important way.

After thanking partners, sponsors and the dedicated team at IHRSA, Liz continued: "I'm confident it will be time well spent by all this week. I know making the decision to come here and invest in the show was not an easy one for many of you this year. As an industry, we were forced to shut down, and those that were able to remain open operated under heavy restrictions while navigating uncharted waters. The result: steep unprecedented declines in every country. 22% of our friends, industry peers and competitors have closed permanently. One and a half million jobs have left this industry. And, for some, we are not in the clear just yet. And, even when we reopened, we didn't have a playbook or guidance on how to do it, so we wrote one ourselves. Creating ways to open and allow our customers to come back to the gym with confidence is something we should all be very proud of!"

Pivoting, as the Association will do, Liz began on advocacy: "And, we learned a really hard lesson about the need for our industry to be recognized by lawmakers and to be unified together in one voice. *We now know that, if you're not at the table with lawmakers, you're on the menu.* Regret,

however, is a wasted emotion, and we don't have time for that distraction. We have to refocus our efforts on advocacy to ensure we are never left out again. As I reflect on my first two months as President and CEO of IHRSA and pivot to a more front-footed posture for our Association and industry, I am reminded of an old proverb, 'The best time to plant a tree was 20 years ago; the next best time is today.' So, as I join you today, I say it's time to plant some trees."

Everything covered so far had been *new* and *well said*. Liz then went into her *Background* and *Listening Tour*. To learn more about this, I welcome you to read our *October 2021 Cover Story* on Liz Clark by going to www.clubinsideronline.com.

A Change Agent / The NHFA

To this point in Liz' speech, it can be argued that any seasoned leader would have said many of the same things. But, it takes a true leader to say some bold things to a brand new audience. Liz did just that with the following:

"Last year, the Board and other industry advocates made a very deliberate decision to change the course of this Association, and it started at the top. **Brent Darden** jumped in, and many of you stepped up and participated on *Headlight Teams*. You navigated a very difficult landscape in the most challenging time in the history of our industry. And, while all that was going on, the Board hired a change agent: **Me**.

As someone who has seen associations that have successfully refocused on advocacy and communication, I know that it takes a clear vision on what we want to be today, tomorrow and ten years from now. Today, we are embarking on an

intentional pivot to be advocacy forward. Advocacy is about storytelling, jobs, data, relationships, and since politician's reputations proceed them, yes, it's about money.

As you know better than me, we already have a great story. Our opportunity is to amplify it with decision makers who hold our future in their hands. Nobody understands that better than IHRSA's advocacy arm, the *National Health and Fitness Alliance (NHFA)*. It's why we gathered in Washington D.C. my second week on the job. These industry leaders came together at a critical time to lobby for industry relief, the *GYMS Act*; to strategize on our extremely valuable State Alliances; and to discuss the importance of re-establishing our political action committee: *The PAC*.

We were lucky to have this group of soldiers, not only on Capitol Hill, but on the ground with lawmakers in their home States, as well. Now, we're working together to grow IHRSA's Membership and get more people to join the fight."

JOIN IHRSA TODAY

During the 2020/21 reconfiguration of IHRSA, a review and change of their Membership Model was conducted. Now, the structure has been simplified and are as follows:

Basic | Standard | Premium

Starting At (Monthly): \$30 | \$50 | \$75

A few important notes about this new membership structure:

■ It is based on total number of facilities. More facilities, the higher the respective monthly rate. But, that's *A Okay*. Once you spread that cost across facilities, it's likely to be less per unit than a single facility company.

■ The higher the grade of membership, the higher percentage of dues you contribute to the NHFA. In the past, the *Industry Leadership Council (ILC)* was volunteer-based, both in terms of time and money. Now, incorporating the NHFA budget into the IHRSA dues structure, future funding of

the NHFA is ensured, and hopefully, overall funding for advocacy efforts increase as the Association rebounds and expands in coming years. This fact alone should motivate you to go *Premium* each and every month! If you have any hesitation about this, ask yourself the question: Where would we be if we were taken seriously before the pandemic!?

■ Time is money. With your contribution and that of others, the more minds and effort on the same problem, thus decreasing the onus on others. This equals time, and time is money.

A Rebrand/Name Change

Liz announces: "Looking toward tomorrow, we have to deal with what I think is a little bit of an identity crisis. Before joining IHRSA, I know our name did not reflect who we are, let alone who we want to be. It was something I discussed with the Search Committee and the Board embraced throughout my onboarding process. Change can be uncomfortable, but I am encouraged to see all the support around this endeavor. It's time that our name captures everything we stand for: *Health, Wellness, Fitness, Technology, Sport* and so much more. I've already begun recruiting thought leaders to help lead a rebranding effort for the Association to better reflect our modern industry, and I am optimistic that, by the time we gather in Miami in June, we will do so under a new banner."

A Note From Norm Cates, IHRSA Co-Founder and Club Insider Founder:

IHRSA is an acronym hard-earned by the Association and then IRSA members via things such as multiple editorial articles, Letters to the Editor and the name change protest attended in Reno, Nevada way back in 1994. At that year's IRSA Convention, several hundred Association Members attended an Open Forum meeting for the sole purpose of stopping a *forced* name change.

The IRSA name was about to be changed to *Exercere*, Latin for, "To Exercise." Long story short, because of outright resistance, the decision was reversed, and instead, *H for Health* was added to IRSA creating *IHRSA*, the Association name we know today.

Looking back on these events, I recall two significant errors by Association Leadership at that time:

1. The IRSA Board of Directors made the name change decision all by themselves *WITHOUT INPUT* or *HELP* from any IRSA Members who were not on the Board. This approach, in which the membership was not consulted before the name was changed, enraged many IRSA Members.

2. The IRSA Board of Directors failed to (See *IHRSA 2021* Page 14)

<p>STARTING AT \$30 /month</p> <p>BASIC</p> <p>I want to engage further with industry best practices, resources, and experts</p> <p>FEATURED BASIC DISCOUNTS:</p> <ul style="list-style-type: none"> 10% IHRSA Research 10% Education & Staff Training 10% In-person Events <p>FEATURED BASIC BENEFITS:</p> <ul style="list-style-type: none"> 25% of dues supports Public Affairs and the National Health & Fitness Alliance Exclusive Digital Access Alerts to Harmful Legislation Active & Safe Commitment Live Webinars Guidance to Navigate COVID Challenges 	<p>STARTING AT \$50 /month</p> <p>STANDARD</p> <p>I want to grow my fitness business, develop skills, train my staff, and contribute to the industry</p> <p>FEATURED STANDARD DISCOUNTS:</p> <ul style="list-style-type: none"> FREE Consumer Research 30% IHRSA Research 30% Education & Staff Training 30% In-person Events <p>BASIC BENEFITS PLUS:</p> <ul style="list-style-type: none"> 50% of dues supports Public Affairs and the National Health & Fitness Alliance Information on Crucial Industry Legal Developments Help Navigating Legal Issues Unlimited Access to On-Demand Webinars, E-books, & Toolkits Priority Member Service 	<p>STARTING AT \$75 /month</p> <p>PREMIUM</p> <p>I want to lead my company and the industry as a whole to the highest levels of success</p> <p>FEATURED PREMIUM DISCOUNTS:</p> <ul style="list-style-type: none"> FREE Consumer Research FREE IHRSA Research FREE Education & Staff Training 50% In-person Events <p>STANDARD BENEFITS PLUS:</p> <ul style="list-style-type: none"> 75% of dues supports Public Affairs and the National Health & Fitness Alliance Exclusive Public Affairs Invitations Global Brand Exposure Image of the Industry/Public Relations Updates VIP Experience at IHRSA Convention 2 Free IHRSA Virtual Event Registrations Quarterly Think Tanks
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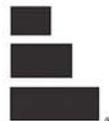




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educate IRSA Membership on facts about the name, benefits of a change to that name and feedback on what the name should actually be.

Because of these factors, any name, no matter how great, would fail... With this history briefly reviewed, and after learning about *Liz Clark's plan* for proposing and making a brand/name change (leaving IHRSA in the history books), I am pretty sure that Liz will approach this process in a well-thought-out and planned manner. Clearly presented, this will hopefully result in agreement and solidarity of the industry to unite under the "new banner" Liz describes.

To that end, I hope and expect to see that Liz asks ALL of the IHRSA Membership to **VOTE YES** or **NO** on the new name she and the Board of Directors propose so that the Association Membership can advance with a clear sense of having been involved and having been part of the change. This will ensure a vast majority not only support the new name and direction but also participate in future conventions and thrusts Liz and current Association Leadership put forth over time. Without this solidarity, any effort is doomed to fail, and that would not be good for this beat up industry.

Folks, you may recall how strongly I was against the previous name change. Following that, adding H to IRSA, creating IHRSA was a brilliant move. Moving from IHRSA to something new requires something equally, if not more brilliant, and with a proper feedback process, that name will be found. So, to me, this is a no brainer. I embrace this proposed change if presented in the way I have outlined. And, having spent time speaking with Liz to produce *Club Insider's Cover Story* on her, I can tell you she is extremely sharp and clearly knows the importance of staying in touch with the Association's Membership and asking them for their valuable thoughts and ideas. And, that approach will be a **WINNER!**

-Norm Cates, IHRSA Co-Founder and First President, 1981



Diana Kander - Credit: IHRSA/The Photo Group

The Keynotes

Prior to kicking off the 2021 Keynote Program, a special presentation occurred. The inaugural **Jim Worthington Advocate of the Year Award** was presented to Jim Worthington by IHRSA Board Ex-Officio, **Carrie Kepple**. Over the years, Worthington has been outspoken and involved in the advocacy of our industry. This award is well-earned. Congratulations Jim!

Competing on Value Instead of Price

Diana Kander, *Best-Selling Author, Entrepreneur, Innovation Consultant* - Sponsored by ABC Fitness Solutions

Diana began, "I have a very short presentation for you. If you want to compete on value instead of price in your organizations, you have to get to know your customers better... like *better*. That's the big finish, but let's figure out how to get there."

Essentially, her premise came down to **Create Customer Intimacy**, the steps being:

1. Understand customer frustration points.
2. Figure out what to stop doing (i.e. Kill Zombies).
3. Improve the employee experience.

Personally, my big takeaway from Diana's presentation was in *Point #2*, simply explained as *Kill Zombies*. In the context of business, zombies are the part of a business in which something exists and requires time, effort and money but does not produce enough benefit to justify its existence. So, **KILL IT**. Little things can add up, especially once extrapolated over time!

Preventive Medicine: It's More Beneficial & Cost Effective to Prevent Disease Than it is to Find a Cure

Kenneth H. Cooper, M.D., MPH, *Founder and Chairman, Cooper Aerobics* - Sponsored by MXMetrics

In true **Dr. Cooper** fashion, the



Dr. Ken Cooper - Credit: IHRSA/The Photo Group



IHRSA Board Ex-Officio, Carrie Kepple, Awards Jim Worthington - Credit: IHRSA and The Photo Group

words came quick and the stats rang true. A lot of them! At age 90, he has not lost a beat and is one of the greatest minds in this country... and we are lucky enough to have him in this industry. Boiling it all down, Dr. Cooper can empirically prove what we all know to be true... **We Can Prevent MANY Diseases!!!** As our friend **Mike Alpert** also continues to preach, "*Exercise IS Medicine.*"

The Age of Disruption: Everything Has Changed and Nothing is Different

Scott Stratten, *Best-Selling Author, and President, UnMarketing* - Sponsored by Matrix Fitness

Beyond informative and thought-provoking, this was by far the funniest keynote presentation I have ever experienced. Scott is hilarious! Boiling it down though, utilizing *The Ritz Carlton* as his example throughout, brand perception is controllable but not exactly how you think. You can control having the best logo, marketing campaign, facility, etc., but perception of a brand is still in the eye of the beholder, your customer.



Scott Stratten - Credit: IHRSA/The Photo Group

You will never do things 100% correct every time, so how you embrace those weak moments head-on will define the brand, for better or worse. The key to this is trusting and empowering your front-line workers and providing proper recovery during times in which you fail expectations. As a thought exercise, why are front-line workers usually the least paid? They hold everything in their hands...

Check out *IHRSA 2021 On Demand* at bit.ly/ihrsa2021.

The Trade Show

There is no doubt that this year was a muted show compared to previous years. But, nonetheless, for every previously known face, there was a new one. That is a positive thought. For every exhibitor that said they were there to be face-to-face with current customers, there was one seeking someone new. For every previous friend, a new one was made.

This year, compared to those in the past, I enjoyed every second on the floor. The first day is busy. The second day is slow. That has pretty much always been the M.O. (modus operandi) since moving to a two-day schedule, and it can become monotonous, year end and year out. This year was the same in terms of the ups and downs of day one compared to two, but all of it was new again. And, during that absence of booth traffic, more so than in year's past, fellow exhibitors got to know each other better that ever.

Personally, one of the exhibitors across from me, **Donna Burke**, *Managing Director of PRCL Products* (the only line of supplements formulated specifically for women - www.prclproducts.com) was from Marietta, Georgia, my hometown! Just two years apart at rival high schools, we found out we knew some of the same

(See *IHRSA 2021 Page 16*)



REX ROUNDTABLES FOR EXECUTIVES

REX is now a global organization that runs mastermind groups for business owners and chief executives, including over 325 of the top clubs and organizations (2700+ clubs) in our industry. REX currently runs 21 mastermind groups of owners, executives and senior staff.

We are talking about consistent year-over-year performance, not just a one-time peak. Each of the Health Clubs that belong to a REX Roundtable has serious competition. So REX uses resources inside and outside our industry to help each member's business formulate and implement a strong competitive strategy.

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REX for me has had a great impact. It's brought new ideas to the table, and it's increased our bottom line. Our profits have gone up and more than anything it's helped my leadership skills and it's helped my entire business from the top down.

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PHYSIQ FITNESS**



Every time I attend a REX meeting I go back and implement at least 4 or 5 things I have learned. Traditionally it's helped me improve sales process, lead generation and implement proven programs from the trusted suppliers.

**SIO KHAYAMI
GOLD'S GYM
VILLE ST-LAURENT**



"REX Roundtables gives me the emotional support a leader needs to stay strong through difficult times, remain focused on what matters and to continually build amazing teams."

**KAREN M. RAISCH-SIEGEL
LIFEWORKS OF SOUTHWEST
GENERAL, OHIO**



For more information about REX Roundtables visit rexroundtables.com
Follow us on LinkedIn and Facebook! Email Eddie Tock at eddie@rexroundtables.com

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people... from 15+ years ago! Across all these years and 1,000 miles... Incredible! You never know who is next to you until you talk to them. Think about that in life, beyond business.

As I took some time away from the *Club Insider Booth* and made my way around the trade show floor, I ran into some great, old and new, *Club Insider Advertisers*: **VFPnext, MOSSA, UpSwell, Iron Grip Barbell Company, iGo Figure Software, FlexIt and Paramount Fitness**. Check out the **Photos** in our *IHRSA 2021 Slideshow* at www.clubinsideronline.com/ihrsa2021.

To exhibit at *IHRSA 2022*, please contact **Luke Ablondi** at lba@ihrsa.org.

Special Panels

At any convention, there are more panels and seminars than one can physically attend. Even in down times, this year was no different. But, some Panels stand out above the rest. At *IHRSA 2021*, here are the ones that did just that:

24th Annual IHRSA Financial Panel: A Financial Perspective on The Return of The Fitness Industry

Panel Discussion Moderated by **Rick Caro**, President, *Management Vision, Inc.*

JuliAnn Burkhardt, Managing Director, *Bank of America Securities*;
Paul Farber, Vice President, *TPG Growth*;
Brian Smith, Managing Director, *Piper Sandler & Co.*;
Matthew Tingler, Managing Director, *RW Baird*.

Likely, the most important of its history, the *24th Annual IHRSA Financial Panel: A Financial Perspective on the Return of the Fitness Industry* by **Rick Caro** tackled a multitude of topics across headlines and an in-depth conversation with his panel, but one thing was clear across the panelists on multiple questions: *the future is bright for this industry*. There are concerns on the horizon related to inflation, interest rates, etc., but some things can be mitigated with proper planning and the industry's previous recession resiliency (this time when we are still allowed to be open during tougher times!).

Very importantly, here are **Rick Caro's Top Financial Headlines**:

1. COVID-19 devastated the club industry with closures (22% of all clubs), loss of overall revenue (52%) and loss of 1.5 million employees.

2. The U.S. economy has had huge swings over the last 1 1/2 years (recession, huge unemployment, increased minimum wages, shutdowns and lockdowns) with possible inflation ahead.

3. Club economics trends:

Overall Memberships: Down;

Recent Net Memberships: Up Slightly;

Non-Dues Revenue: Down;

EBITDA Margins: Down, hopefully improving in 2022.

4. Overall industry membership levels were devastated, and in many cases, are still not back at March 2020 levels.

5. United States debt markets remain attractive with local banks and government lending. Interest rates are still relatively low. Cash flow-based lending is still very attractive and with significant leverage.

6. The number of new builds has been limited, but the opportunity for taking over former club spaces, former retail mall space and even local storefronts is now available. Club use is being targeted, especially for HV/LP and larger club companies.

7. The cost of construction is increasing while timelines are being extended; club capital expenditure spending has been reduced currently.

8. The demographic profile of a fitness facility user remains similar to previous years and is mainly upscale.

9. Franchised clubs continue to attract high valuations and regular private equity interest.

10. Major thrust toward publicly traded club companies in 2021 as well as connected fitness, online and vendor companies.

11. Very limited consolidation of clubs in the U.S. (versus Europe); increasing number of independents thinking of exiting but few deals are likely; and increasing interest from private equity firms with more "dry powder" than ever.

12. Large club companies are growing via new builds; regional players and mid-tier clubs are not expanding; franchise deals in both HV/LP and studio segments are increasing regularly.

13. No major increase in U.S. club ownership by international companies and vice versa.

14. Eleven companies filed for bankruptcy during COVID and eight re-emerged.

15. No real investment by strategic partners from analogous industries.

16. Many more users experienced at-home workouts during COVID. But, real questions revolve around resultant user patterns of hybrid use (both bricks and mortar vs. home), use of digital and apps and future of content.

17. *Silver Lining*: Again, no growth by non-profits, hospital wellness centers, as well as parks and recs; there are still some major university fitness centers being developed.

18. Diet centers are still not working alone without an exercise component. Diet pills ("Magic Bullet") are still not approved, and thus, not getting any real traction.

19. Mental health has emerged as a real concern, and many companies are addressing this new focus via direct services, apps and medical tie-ins.

20. Health Care initiatives are growing, and all related industries are exploring appropriate opportunities (insurance companies, corporations, healthcare companies, hospitals, etc.) and are looking for club tie-ins.

21. The club industry truly leaned into the advocacy and legislative focus during COVID at both the State and Federal

levels. Key issues are still emerging at the State level (membership renewals, biometric data, sales tax, membership contract regulations, etc.). Real significant advances in *IHRSA's* leadership at the Federal Level are going forward.

22. The *Millennial* and *Gen Z* populations are still a regular challenge for the club industry but less so for studios.

23. Technology is a major influence on the club industry going forward (wearables, mobile apps, digital online content, online paying and new categories); the challenge of using collected data for club benefit is paramount.

24. The year 2021 is one of recovery with 2022 hoping to be a "normal year" again, especially regarding member behavior (new joins, cancels, leaves of absence, usage, etc.); the resultant industry is still optimistic about its future.

Club Executive Leadership Panel

Panel Discussion Moderated by **Brent Darden**, Chair, *REX Roundtables*;

Chris Rondeau, CEO, *Planet Fitness*;
Chuck Runyon, Co-founder and CEO, *Self Esteem Brands*;
Greta Wagner, Executive Director, *Chelsea Piers Connecticut*.

For the first time, **Chris Rondeau**, CEO of *Planet Fitness*, and **Chuck Runyon**, Co-Founder and CEO of *Self Esteem Brands*, participated in a panel at *IHRSA*. And, each of them expressed personal and professional opinions you might not expect as the heads of the literal world leaders for health and fitness club facilities. **Greta** wasn't star-struck though; they were star-struck to be up there with her!

IHRSA Industry Partner Leadership Panel

Panel Discussion Moderated by **Daron Allen**, CEO, *VFPnext*;

Dana Milkie, General Manager - North America, *EGYM*;
Petra Robinson, President, *Petra Robinson Inc. and Adviser, Fitness Industry Relations & Trade Shows, Zumba Fitness, LLC*;
Ron Lamb, CEO of *Daxko*.

Key topics of this panel were data, technology, and as **Dana Milkie** put it, "another four-letter word: *Peloton*." The key of data and technology, though, is how can it add to/enhance but not become the customer/member experience? Also, per **Ron Lamb**, learn the difference between a cow and a buffalo. Which are you? The difference is very interesting.



Rick Caro's 24th Annual Financial Panel (Panelist Names Within Story Text) - Credit: IHRSA/The Photo Group

(See *IHRSA 2021* Page 17)

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12th Annual IHRSA Women's Leadership Summit - Your Mission is Your Magic

Tiffany VanDeMark, Founder & CEO, VanDeMark Partners - Sponsored by Club Automation, Motionsoft, and CSI Spectrum

Note: Club Insider was not yet present in Dallas, Texas for this panel.

Check out IHRSA 2021 On Demand at bit.ly/ihrsa2021.

Social Events

The Opening Celebration
Sponsored by Mindbody

Attendees reconnected and made new friends as they celebrated the industry's revival with traditional southern hospitality!

HALO Talks & Promotion Vault Present
Happy Hour & Book Launch

Our friends, **Pete Moore** and **David Ganulin**, of *Integrity Square* invited us to this fun event in the lobby just outside the main ballroom where all the keynotes were held. In whispering distance of the wise words shared within that hall, Pete Moore took center stage to share his own wise words, as well as introduce and launch his book... **Time to Win Again: 52 Takeaways From Team Sports To Ensure Your Business Success.**

This book is the culmination of Pete's sports and business learnings. Over time, one cannot be separated from the other. Further, the first thing to take away here is the number **52**. This was not by accident. This was to symbolize 52 weeks (or a full season) of learnings. Read one per week. Let it resonate. Get others to

read it and let it resonate in their minds. Come together and pull more away from it than was intended. From there, develop plans of action. Then, move on to the next lesson but don't forget to review the past lessons and the courses of action they may have helped set.

On a personal level, both my Dad and I want to thank Pete for including us (See **Photo on This Page**) in his book and in a very strong lesson about leadership. Pete writes:

"I Need Action Leaders, Not Thought Leaders (10:1)"

"All industries have visionaries. In sports, you have the offensive and defensive coordinators who come up with all sorts of ideas, schemes, and interesting plays and blitzes: The run pass option, the pick and roll in basketball, the 1-3-1 full court press. However, simply being drawn out means nothing without execution. And, how do these plays become effective? Practice, practice, practice! The average college team does 20 hours of preparation/practice for every one-hour game.

Takeaway: You must allocate more time to training, role playing, and educating your team. If you're onboarding an employee for only one day, expect what you get out of it. (Which probably won't be much!) Practice should happen weekly. Allocate the time to winning. Your employees are your professional athletes. Some entrepreneurs make hires without fully considering how they fit into the team. To win at any sport, you need position skilled players and you also need team players.

Imagine how strong your team would be if you changed the narrative, referred to your team in sports terminology, and gave them a real coach? You refer to Human Resources as Head of Player Personnel. What if everyone wore a uniform with their last name on it? Why

does business need to be different from what worked in high school, college, or professional sports? It doesn't.

Invest in your players. Give them every advantage to succeed and you will succeed."

This is but one of the 52 lessons in Pete's book, and I recommend its reading today. To order, go to www.timetowinagain.com.

Hollman Lockers/BMC3

Thank you to our long-time friend, as well as *Club Insider* Author and Advertiser, **Bill McBride**, for the invite to this fun party, co-hosted by *Hollman at Gilly's!* It started out in a party bus! Then, a cool all-brick walkway with bistro lighting, into a huge venue with a wild country rock/rap band, multiple bars, multiple food tables, water table and gift table... Oh yea, and the mechanical Bill... errr I mean BULL!!! Would you expect anything else in Texas!? It was Epic!

Importantly, congratulations to *Hollman* for celebrating 45 years of business and being able to celebrate it at home in Texas! As a sidenote, like *Club Insider*, *Hollman* is a family business. Now, with **Travis Hollman, son of Founder, Joe Hollman**, the company continues on.

CSI, Daxko, Motionsoft

This was the night cap of night caps for social night at IHRSA 2021. On the rooftop of *The Joule*, this event offered great sights of the Dallas Skyline as well as connections and conversations. And, of course, giant Jenga!

The Closing Reception

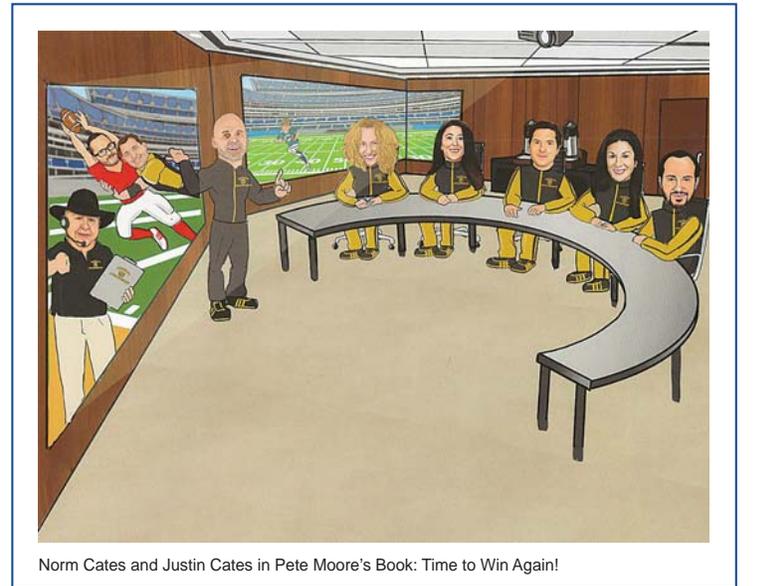
Attendees discussed and shared the big ideas and takeaways they gained while at IHRSA 2021.

This year, the "Closing Reception" essentially replaced *Augie's Bash* for *Augie's Quest*, which did not have an in-person event during IHRSA 2021. In the future, if there is a way to have both on the event card, it would be beneficial. Those who cannot make it to *Augie's Bash* would appreciate and benefit from it. Personally, I made a final connection with several people met during the show during this event. From a cross-sale standpoint, if the Closing Reception becomes the "Opening Reception" for the *Augie's Bash* itself with a number of tickets set aside for last-minute purchases made during the Closing Reception/raffles, it would be a great one-two combo to end each IHRSA Show!



Folks, it's football season. And, in the south, they call someone like a radio or television broadcaster who is supposed to be objective towards a game but is not, instead favoring one team over the other, a "homer." *Well, I am a homer for IHRSA.* Plain and Simple. My Dad helped start IHRSA, and it changed our industry, and thus end user's lives. I have been involved with and going to IHRSA for years, and it is has changed my life. Further, I know IHRSA is more important than we will ever want to know compared to living a business life without it. So, influence the future now. **JOIN TODAY at www.ihrsa.org.**

(Justin Cates is the Publisher of Club Insider. Having been born into a club business family in 1985, Justin grew up in the health and fitness club industry. He has lived and breathed this industry for 36 years, since his own day one, and he loves it dearly. Graduating from the Terry College of Business at The University of Georgia in 2007, Justin has run day-to-day operations of Club Insider for 13 years. Justin was elevated to Publisher of Club Insider on April 5, 2020. Justin's Dad, Norm Cates, continues to serve as Founder and Tribal Leader Since 1993. You can reach Justin by phone at 863-999-2677 or email at Justin@clubinsideronline.com.)



Daron Allen's Industry Partner Leadership Panel (Panelist Names Within Story Text)

Norm Cates and Justin Cates in Pete Moore's Book: Time to Win Again!

The Member Experience Cycle: A Simple Tool to Enhance Retention and Sales

By: Karen Woodard-Chavez

If I were to stop by unannounced or call your club around 7PM on a Friday night, how confident are you that my experience with your staff would be an excellent one? Would it be as consistent with perhaps what happens at 11AM during the day? If you can, without any hesitation, answer, "Yes," then KUDOS to you. If you have some hesitation, then this article will be helpful.

The *American Customer Service Index (ACSI)* released their Q2 findings:

■ *Customer satisfaction index remains at a low 73.6 (out of 100). One must go back more than 15 years to find a comparable level.*

■ *The increase in productivity in the service sector might well be a cause of lower customer satisfaction, coupled with the fact that some service sectors have difficulty filling jobs.*

■ *In other words, when companies are serving an increasing number of customers with fewer people, labor productivity increases, but service quality usually suffers.*

Sound familiar? In other words, customer service appears to be in the toilet. For many businesses, there has been a convergence of a staffing crisis and a flood of new business due to pent up demand for spending and experiences. When you have more business and less staff, it often presents a poor service experience. Brilliant flash of the obvious, right?

Clearly, regardless of time of day, day of the week, the staff you have on duty at the time or business volume, the experience you provide for your members, guests and staff needs to be *consistently* at a high and memorable level. The last thing you want to have happen is rely on the staff that "get it" and then have another experience delivered by the staff that do not get it. Unfortunately, that is the reality of many businesses.

Another brilliant flash of the obvious is that the customer/member experience *done right* can be your biggest point of differentiation from your competition, which means you increase your sales and no longer have to compete on price. The customer/member experience done wrong will send your members into the arms of your competition.

The power of establishing consistency throughout every customer touchpoint and creating systems and processes that remove variation and provide a *consistent* member experience is the key to doing it right. That is what the

Member Experience Cycle will do for you.

Let's break down our process for creating consistency and *Doing it Right* into four sections:

1. Defining the difference between customer service and customer experience.
2. Creating your non-negotiable service standards to become the brand your customers can't live without.
3. Identifying the inconsistencies in your business and other businesses.
4. Transforming even your mundane interactions into memorable experiences.

1. Defining the Difference Between Customer Service and Customer Experience:

Member Service: What you do, task/operationally oriented, transactionally related. Examples are providing a welcoming check-in service, accurate membership accounting/billing services, knowledgeable helpful staff, on-time classes, the towel service you might provide, etc. These are the things that your members pay you to do. They are the basics.

Member Experience: How you do it, how you make the member *feel* while you are doing it. I would like to share an example with you that you likely have had when checking into a hotel:

Guest Service: You check into the hotel, and the receptionist greets you in a friendly and professional way, uses your name, confirms your dates, asks for your ID and credit card, processes your payment, gives you a few bottles of water, points out the elevators and you are on your way to your room. That is *Guest Service*.

Guest Experience: When all of the previous elements in service are done, the receptionist then asks how your trip in from Colorado was (because they have your ID and can see that you are from Colorado), whether you are here for leisure or business and if you craving anything special for dinner then makes a few recommendations. All of this is done in less than 60 seconds.

Those three additional elements create the *difference between service and experience* because it customizes the conversation and makes it about the guests' needs/wants rather than the process. Think about the different areas in your business that are currently a service that you can transform into an experience. We will go further into this as the article progresses.

2. Creating Your Non-Negotiable Service

Standards (NSS) to Become the Brand Your Members Can't Live Without:

Do you have defined *Standard Operating Procedures (SOPs)*? Most businesses do have these defined and documented. SOPs are step-by-step instructions compiled by an organization to help staff carry out routine operations. SOPs aim to increase efficiency, quality output and uniformity of performance while reducing miscommunication and failure to comply with regulations. As you can see, SOPs are very task oriented.

Further, what are your *Non-Negotiable Service Standards (NSS)*? NSS are the behaviors that are ALWAYS done to create a member experience. The emphasis is on *always* done, otherwise they are negotiable.

NSS can be behaviors defined by your organization's Core Values or other behaviors you have committed to in member/guest/staff interactions, such as the *Five Es* (Eye contact; Enthusiastic greeting; Ear-to-ear smile; Engage; and Educate), using the member's name two or more times in an encounter, warm transfer, etc. The behaviors *always* happen. Use of the NSS transforms an SOP into an experience.

A few simple tips on creating your NSS include: There should be little or NO cost in doing so; performing them should not negatively impact production; and spend some time with all staff to *intentionally* go from SOP to NSS.

3. Identifying the Inconsistencies in Your Business and Other Businesses:

This is one of the most effective tools you can utilize in improving your business. What are the defects/gaps in your business? What frustratingly repeats itself in your business that you would like to eliminate?

It also helps to look at other businesses you deal with and identify the gaps in their business so that you do not do those things in your business.

Make a list. These relate to NSS. The difference is that these are things that will *never* happen. In the process of making your list, extend the list-making to your staff to utilize the collective genius that exists in your organization. Your staff sees gaps as well. Lean in and listen to them to minimize the defects and maximize the experience. Also, very important to recognize, your staff may list defects in not only the member experience but the employee experience as well; those are *very* important to pay attention to. Remember, *happy staff, happy members*.



Karen Woodard-Chavez

4. Transforming Your Mundane Interactions Into Memorable Experiences:

What might your "mundane" experiences be in the club? Check in for any department/service, locker room, etc. The list could go on and on. Our final tool in this process of creating consistent experiences is called *Experience Cycles*.

An Experience Cycle looks at *every stage and touch point in the entire member journey from start to finish and maps it out*. This is a big opportunity to differentiate yourself from the competition by just spending some time focusing on providing an experience in that moment. The outcome of mapping out an Experience Cycle can and should be predicted by mapping out five elements for many situations:

1. Moment in the journey (or issue that arises);
2. How to best handle the moment/issue;
3. Potential service gaps or defects if not handled as outlined;
4. Utilize Core Value or NSS behavior;
5. Opportunities to *wow* the member/go above and beyond (surprise and delight does not happen every time).

Let's map out how your simple processes don't have to be a boring, simple, mundane transaction. There's a way you can elevate them by focusing on the experiential NSS. For simplicity and consistency, I am going to stick with the check-in process at the club:

1. **Moment in the journey (or issue that arises):** Reception check-in.
2. **How to best handle the moment/issue:** Use all five Es.
3. **Potential service gaps or defects if (See Karen Woodard-Chavez Page 20)**

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You Evolve or You Die...

The End of the Fitness Industry as a Single Business

By: Thomas Plummer

Part I

Pressure, applied over time, can change, or destroy, anything. This pressure reveals the cracks, searches out and destroys the weakness, finally leaving something changed forever. Mountains disappear, coal becomes a diamond, rivers change course, and even Britney Spears was set free after years of pressure from attorneys.

In the fitness industry, the pressure was applied in 2020 - 2021, and this pressure revealed the weaknesses that have existed for many years, yet they remained somewhat hidden, because it is easier to hide our reality rather than stand up and deal with obvious truths we need to address if we want to thrive into the future.

For an industry that embraces semi-naked as an art form in our national marketing, we are not looking too good these days in the blinding, raw light of our post-virus meltdown. Here are a few observations of what several years of unrelenting pressure has left us.

There is no such thing as a single fitness industry.

Perhaps the biggest mistake we have made in this industry since 2005 is not acknowledging the very obvious fact that what we believe to be one, big, happy industry has separated into two distinct segments, and the failure to recognize this has hindered our growth for almost two decades.

There is the mainstream world, represented by the chains and what is left of the independent owners, and there is the emerging training gym world, much bigger than most companies and gurus realize, much better capitalized and much

more profitable than most understand. Two distinct forks separated by the type of client they attract, the size of facility, the return per client, the level of service and the quality of that service, they provide.

This separation began in the late 1990s with the advent of the first financially successful training-centric gyms, which focused on a target market ignored, or abused, by the mainstream players, represented by the chains and independents existing in those years.

These first training gyms, created by **Bill Parisi** in New Jersey and **Alwyn and Rachel Cosgrove** in California, both pushed million dollars in revenue with a pretax profit of over 40%, based upon just a few hundred clients. This was in an era where the big players with several thousand members were struggling to hit that gross or even achieve a 10% margin.

The second spike in the heart driving this split came in 2005, when *CrossFit* proved that there was another underserved market out there, the client who would pay \$149 per month for intensive coaching done in a group environment. Advanced coaching, community, higher return per client and an environment that solely exists for a training client all added to the increasing effectiveness of the training-centric business model.

What is a financially effective training gym? Smaller, usually 6,000 square feet or less, but some are now larger if the owner focuses on just training; a higher return per client, usually chasing over \$200 per month per client, and as high as \$2,000 per month in some gyms; and where everyone gets help and guidance by master coaches, rather than the barely certified, weekend wonders offering training at most of the chains.

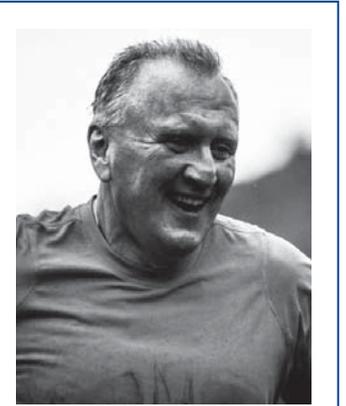
This new model capitalized on two key elements. First of all, these training gyms attracted a client the chain players

simply could never understand, at a price the chains could only dream about if their limited minds could see numbers that big. The second element is this client, usually in the top 40% of the people living in that area by affluence, is most likely over forty years old. He or she has always been there but has been badly mishandled by the chains and independent, box club players. These fitness facilities want the money but failed in creating a consistent delivery system to attract this client.

There was a small chain of restaurants in Florida years ago that failed miserably after only a few years of operation. It was sort of an attempt to mash together a Golden Corral-style cheap, family steak house with a Capital Grill, or some other high-end player such as Morton's or Ruth's Chris. Cheap food, expensive drinks, low-end décor yet an expensive wine list. I ate in one of these, much to my ultimate regret, and I asked the manager what they were going after with this concept. His reply is they felt they could create a business where the cheap, family people were going to be just as happy eating as the guy chasing the \$100 bottle of wine. Something for everyone was the plan. It failed.

This has also been the failing of the mainstream industry. We have attempted to mash together a cheap gym concept, priced as \$10 - \$39 per person, with a training client dream where we want to charge \$60 - \$100 per hour in the same box. We want it all. Give us volume, give us endless members paying the cheap rate, but we also want a high return per client, too. You came in for the \$10 sort of a steak thing, but I also want you to buy that \$100 bottle of something while you are in today.

This, too, has failed. The national average for mainstream gyms in the training business is about 6%, meaning if you have 2,000 clients paying



Thomas Plummer

\$19 per month, you have only about 120 training clients. One would think, that with mainstream experience going back to the 1980s, someone would have stepped up and figured out this mashup never worked and never will.

What we refused to realize, again revealed with pain after the virus, is you cannot put two disparate clients into the same box and expect both to be happy. The cheap client wants a cheap gym and will pay for the cheapness, as illustrated by the national low-price players' success. This client does not, will not and cannot pay for an hour of training that costs more than six months of membership.

No one in that mashed together steak house concept is going to come in for a cheap steak, bring a family of four, including several screaming kids throwing food at the next table, then pay a \$100 for a bottle of decent, red wine. And, no one, at least in significant numbers, is going to a mainstream gym, paying an entry of \$19 per month, and is looking for a \$100 per (See **Thomas Plummer** Page 21)

...Karen Woodard-Chavez

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not handled as outlined: Not greeted right away (we will never be guilty of this...); no one at the desk/member scans own card/ no greeting; staff visiting with each other; staff not using the five Es; member does not know about _____ (fill in the blank) happening in the club.

4. Utilize Core Value or NSS behavior: List a core value(s) in this moment / no member goes ungreeted by our staff at check-in / no member waits any longer than 60 seconds to be checked in / use the member's name at least twice.

5. Opportunities to wow the Member/

go above and beyond: "Happy Birthday!" / "This is your 50th/100th visit this year. Kudos!" / "Congrats on your win at the Seniors Tennis Tournament!" / "I read about your daughter's tennis win in the paper!" (surprise and delight does not happen every time).

This is just one example of mapping out the member experience cycle and how you want it to go consistently. You can see that, if you map out all touch points for member experiences, you will have developed quite a detailed training manual for your entire staff.

After reading this article, I would now like you to rate your entire business on a *consistently* high member experience 1 - 10. If you would like to make some

improvements, then implement the following steps:

1. Share this article with your staff and use it as a platform for discussion.
2. Start identifying the defects/gaps; make it collaborative.
3. Articulate how you can turn SOPs into NSS that create an experience.
4. Implement Experience Cycles for all touchpoints.
5. Commit to training the process to make these NSSs happen.
6. Create a realistic time frame for mastery of these elements.
7. Create accountability... create a service excellence team that is not exclusively management. Have it be a group of staff that represents all departments to help

create accountability across departments.

If you commit to this initiative, you will create a differentiated experience for your members/guests/staff that will make them want to stay, and your business will become a strong magnet to attract more business.

(Karen Woodard-Chavez is President of *Premium Performance Training* in Boulder, Colorado and San Jose del Cabo, Mexico. She has owned and operated businesses since 1985 and now consults with and trains staff throughout the world. She provides her services on-site and virtually. She can be contacted at 303-417-0653 or karen@karenwoodard.com.)

Are You Asking Your Sales Managers The Right Questions To Grow Sales?

By: **Gary Polic**

Part II

We all know the statement, "You get what you put up with in management," is a true statement. Therefore, I wanted to share a few questions to ask your *Sales Manager* on a consistent basis. In **Part I**, I shared *Questions 1 - 10*. This month, in **Part II**, I will complete the list with *Questions 11 - 20*. These questions will alert your Sales Manager to *what's most important* in achieving their team's sales goals:

11. Do you really know all of your members personally? Are you asking the right questions to **GROW SALES**? It is not **WHAT** you know but **WHO** you know personally that **GROWS QUALITY LEAD GENERATION**. Where they work, socialize or their place of worship... Have they ever sponsored a member to the club? Who is the first person they can think of that would love to be pampered here at the club this weekend?

12. Are you huddling with your people every two hours? It is too late if you are following up with your people at just the end of the day or beginning of the next day. You need to huddle up every two hours to create the habits of a winner!

13. Do you T.O. at the POS if the guest needs more persuasion to join? The power of the T.O. (Turn-Over) is a different tone of voice complimenting and restating

the reasons/facts why beginning a regular exercise program is a lifechanging opportunity. Do you utilize the Sharp Angle Close?

14. Do you T.O. with a Trial Membership/ Rate Reservation Card if no sale? 87% of the consumers are in a contemplating mode when making a decision. A trial membership presented by the T.O.'er along with a rate reservation card will increase the sale the next day or two by 70%.

15. Do you present POS Referrals? There will never be a better time to ask for referrals than at the POS. WHY? The new member just signed. They trust you with their health and investment of purchase. The secret is presenting the referral bonus sheet at the beginning of the paperwork, immediately after they agree to purchase and agree. Also, what about where they work, socialize or their place of worship? Big opportunities are often missed.

16. Do you post a new member on social media at POS? This is a big advantage to those who know and use the power of social media. When they join, take a picture, post it on the club's social media page and tag your new member (have permission from the member to do any and all of this). Then, have the new member share with their group. One new member turns into a PR campaign for joining your club!

17. Do you follow up with your new member at 7, 14 and 30 days? The

member tells everyone they signed up the first few weeks of joining the club. Then, why do we not see a new member as our #1 resource of new lead generation? Because, instinctively, we figure they joined and are no longer a hot lead. *Just the opposite is true*. They are your hottest new lead to service and build rapport with through the new member onboarding process to quality lead generate.

18. Do you schedule/track time outside for your sales teams to network/prospect? Only 21% of the American population are members of a health club. So, why would you not go meet the consumer where they are? At least two hours per day visiting retailers to cross promote with and community events coordinators to create in-kind trades for internal sales promotions and distribute 30-Day Trials. All at no cost to you!

19. Do you schedule call time for corporate/community outreach? Texting has been the new phenomenon. But, not at the expense of not following up by phone! You need to schedule uninterrupted "Calls Made" time for your salespeople. Help them with their time management. At least two hours per day. Regarding corporate/retailer outreach, you must have a turn-key template on introductions, presentation, scripting and pricing. Always include a 30-Day Trial to all decisionmakers and associates. D&B listing.

20. What trial outflow efforts are



Gary Polic

happening? Outflow = Inflow. Well, then, if your salespeople are effective and efficient with their time, they must be measured by the amount of outflow activity that is happening. Trials is the outflow material that must be delivered. The higher number of outflow trials being distributed, the higher number of inflow tours. You need to lower the barrier of entry to persuade the deconditioned. That is 87% of the American population!

(Gary Polic is the Owner of Polic Consultants Group, LLC and National Director of Sales Support at The Wellbridge Company. Gary can be reached by phone at 630-410-1120 or email at gary@policconsultantsgroup.com. You can also visit www.policconsultantsgroup.com.)

...Thomas Plummer

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hour master coach.

What we failed as an industry to accept, and what Parisi and the Cosgroves got right so many years ago, is there are two separate, mutually exclusive clients here who don't want to hang out together in the same gym. Put in other ways, there is the \$3,000 per night Auberge hotel client in Napa, and then there is the Best Western guy in Modesto who shopped a month to get a rate under \$80 per night. There is the first class to Europe person drinking champagne in a reclining bed, and then the woman sitting in the back of the budget airline who brought her own sandwich on board. And, there is the, "I love this gym because it is only \$10 per month," person, and there is the, "Please God, burn this cheap place down and help me find a gym who understands my money," client who owns his own business and is allergic to cheap people.

The pivotal number is 40%. Forty percent of the population in any market, determined by age and affluence, would rather pay \$200+ per month to hang out in a

gym built specifically for their demographic. They do not want to walk through a disgusting Monday night crowd in a big box to work with a trainer in a corralled off area, or worse, to follow a trainer through a gym, waiting to share equipment with the peasant sitting on a bench press checking messages.



Next month, in **Part II** of this article, I will discuss what this means to all of us.

(Thomas Plummer has been one of the primary thought leaders in the fitness industry for over 40 years. His approach of change through leadership, delivered in the 1,100+ workshops he has taught all around the world since 1980, has resulted in the creation of many of the current business concepts now in use in the industry, such as the modern training gym business model and layered pricing structure used by so many financially successful fitness businesses. He is perhaps best known for helping young fitness professionals understand and master the business side of the gym business. You can contact Thom at info@thomasplummer.com.)



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A Health Club's Superpower

By: **Terry Browning**

Having just returned from IHRSA in Dallas, I'm reminded of the true superpower of health clubs. It's not how shiny, it's not how new, it's not how big, it's not how much equipment, it's not how much technology a health club has... No, it's much more basic. It's much more human.

At IHRSA, we finally put the phones down, got away from the video conferences, and we were able to really connect with some of our key partners. With the leadership from *The Alaska Club*, *American Family Fitness*, *Genesis Health Clubs*, *Healthtrax Fitness & Wellness*, *Jersey Strong* and *Saco Sports & Fitness*, I couldn't help but notice how thrilled people were to see each other. There were hugs, high-fives and smiles all around. People were genuinely happy to be "live and in person."

It felt palpably different from previous events where we likely took for granted the human, social connection of a convention or worse, still, maybe got exhausted from it. It seemed like people slowed down enough to

say not just "Hi," but "Hi, how's your family, what's been going on," look you in the eye, and sincerely say, "How are you?" This was irrespective of whether they were long-standing business partners, new business partners or industry friends. There is a lesson in here...

People want and need connection. Face to face connection, not pseudo connection that takes place behind a screen. To quote Cathy Spencer Browning from a recent article in *Club Insider*, "People are socially starved and physically famished."

We are a social species. And, professional, branded group fitness is, and has always been, the best way to service and keep members because social connection is built in... There is connection with the instructor and connection with the other members. There is a power in everyone doing the same workout, live and together. It can't be replaced from a distance or by technology. We have heard it time and time again that, while people might join a facility for the "results" they are seeking, they stay because of the social connection, the feeling.

If we don't bring people out of their homes and back into our health clubs, we will have the next pandemic on our hands... the pandemic of depression, anxiety and loneliness. We are on the cusp of this now. We are at a critical juncture, where we must decide what kind of health clubs we are going to be. Where will we focus our energy and efforts? Where will we invest in the social experience for members? And, will we prioritize connection over isolation?

From our years of owning the seven *Sportslife* health clubs in Atlanta in the '70s and '80s, and being a vendor specializing in group fitness since 1989, we have witnessed the power of being together, the true superpower of health clubs... it's when the club is more than just machines. It's a "social" club. Like our time at IHRSA, it's the face-to-face connection. It's the high-fives. It's the smiles all around. It's the social connection. If you missed IHRSA, we missed you, and we look forward to seeing you in Miami in 2022.

If you are looking for a proven way to build a social club, MOSSA can help by strengthening your group fitness program.



Terry Browning

Learn more at www.mossa.net.

(Terry Browning is President and CEO of MOSSA and can be reached by email at terry@mossa.net or phone at 800-729-7837, Ext. 242.)

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- **Eric Durak** - President, Medical Health and Fitness - www.medhealthfit.com
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- **Sumit Seth** - Co-Founder, Naamly - www.naamly.com
- **Thomas Plummer** - National Fitness Business Alliance - (800) 726 - 3506



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Group Power is designed to help your team deliver an engaging and inspiring member experience. Give your members a great reason to come back to your facility. Give them Group Power!



MOSSA believes that there is no replacement for the live group fitness experience. An engaging instructor combined with innovative programming, can and will help your facility get more people moving!

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FLEXIBLE BUSINESS MODEL: Keep your current career in conjunction to operating your gym or run your club as your new business

RECURRING MONTHLY REVENUE: Tap into a subscription-based structure with additional revenue streams from personal training and small group training

NO GYM EXPERIENCE NEEDED: Our education and support get you set for success and keep you growing

BOOMING INDUSTRY: The global fitness and health club industry exceeded \$96 billion in 2020

LOW STAFF REQUIREMENTS: Run your club with 3 to 5 employees

STREAMLINED MULTI-UNIT OPPORTUNITIES: Over 73% of Workout Anytime owners have multiple locations

TURNKEY MARKETING & OPERATIONAL SUPPORT: You don't have to go it alone

EXPERT REAL ESTATE ASSISTANCE: We'll help you find the right location for success

AVAILABLE MARKETS: Territories across the U.S., Central America, the Caribbean & Mexico are available for development

FINANCING AVAILABLE : With our long-time financial partners to put you on the road to success!

MULTIPLE REVENUE STREAMS: Variety of membership options and personal training packages

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CONTACT TERRI HAROF TO LEARN MORE

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