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2009 In Review

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 American Family Fitness Clubs...
 A Class Act In Richmond, Virginia

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 Gold's Gym International
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AAC
 Affiliated Acceptance
 Corporation Celebrates
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A Letter From the President

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 CheckFree Health
 and Fitness Is Now
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 The "Question of the Century"
 for the Health and
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CLUB INSIDER Special Edition "2009 In Review"

By: Justin Cates

Another year has flown by! But, looking back, it has also been quite a long one and much has happened. At CLUB INSIDER, we have had reports from around the country, some positive, others not so much so. Some have struggled because membership has declined and sales systems for ancillary income were not in place, while others have thrived despite lower membership. Others were strong on all fronts, so for every club, there is a different story. This year, we tried to bring some of those great ones to you, our loyal readers.

In January, we covered **Brian Evans** and his excellent **American Family Fitness**

chain in Virginia. A better story about a TRUST-based business may be hard to find. February brought another great story about one who lives and breathes this business. **Greg Lappin**, recipient of the IHRSA's Dale Dibble Distinguished Service Award in 2007, sets a gold standard for managers with his success at the **Rochester Athletic Club**. In April, **Phil Wendel** was our feature, and what he is doing in the medical fitness category at his **Atlantic Coast Athletic Club (ACAC)** chain is something that should be studied because it works and could be part of the solution to the obesity epidemic.

In May, we honored the life of **Julie Main**, who lost a valiant battle against cancer.

Anyone who was lucky enough to meet her and experience her enthusiasm and love for this industry was truly blessed, and she is missed greatly.

Steve and Bonnie Pfister, the Dynamic Duo, were the subjects of our June Edition, and their two **Longevity Fitness** clubs in Vero Beach, Florida are an excellent example of mixing business with pleasure and making a true difference in a community. Another industry great, **Herb Lipsman** was our feature in July. What he did with the Houstonian should be a case study for all, and he is quite busy with several new initiatives.

Our September Edition featured industry heavyweight, **Mark Mastrov**, Founder of **24**

Hour Fitness, and now, **New Evolution Fitness Company** with partner, **Jim Rowley**. From one club to over 400, and he isn't done yet; this one is a must read! In the heart of Chicago, our October feature, **Gale Landers**, and his **Fitness Formula** chain is quite a sight to behold, and his story is very refreshing.

In November, we covered the amazing **Pat Laus**, her **Clubs for the Cure Team** and their global initiative with the **12 Days of Fitness Program**. Pat and her team have made helping **Augie's Quest** a full-time job and do wonderful work in the effort to find a cure for ALS (a/k/a Lou Gehrig's Disease).

In addition to these great stories of success in a time where

one could say the sky is falling and be believed, our March Edition featured several industry news items including the launch of the Gold's concept gym, Affiliated Acceptance Corporation celebrating 20 years, CheckFree rebranding to Fiserv and "The Question of the Century." Our August Edition featured commentary on the very important topic of TRUST.

Additionally, our **Contributing Author Team** presented an amazing lineup of articles that can help you in your club business TODAY, and **Norm Cates** fired away as always with his monthly **Norm's Notes**, not to mention being the author of all but two of the stories above.

(See "2009 In Review" Page 12)

YMCAs Gain Another Advantage Over Commercial Health Clubs \$31-million Initiative Provides Military Families with Access to Programs at America's YMCAs

Publisher's Note: In case you don't know, the YMCAs of America enjoy an approximate 33% cost advantage over commercial health and fitness clubs in the United States because of their 501(c)3 tax exempt status with the IRS. This advantage comes in the form of taxes and other typical costs that all commercial health and fitness clubs in the United States must pay and YMCAs don't because they are tax exempt. In 29 years, IHRSA has had no impact in dealing with this issue, and in my

opinion, IHRSA will never make a difference in this arena because it has its focus scattered around the globe.

The fact that eligible military families and active duty personnel are obtaining this help and support is a good thing, but the fact that this help is being provided only through YMCAs, instead of through YMCAs and commercial health and fitness clubs as well, is not a good thing and should be protested by IHRSA. In essence, YMCAs are receiving financial support

on both sides of the ledger. They will now receive income that is paid for partially by the taxes collected from commercial health and fitness club owners, and at the same time, those same commercial clubs must compete with the fact that the YMCAs don't pay taxes because they are tax exempt. This means commercial clubs in the United States are now competing with both revenue and expense disparities when going head-to-head with the YMCAs of America. It is my contention that if IHRSA had kept these

YMCA matters on the radar for its first 29 years, instead of having dropped it like they have done, American IHRSA clubs might well be included with the YMCAs of America in this arrangement with our military. Do you Agree? Disagree? Weigh in: Norm@clubinsideronline.com

• • •

WASHINGTON D.C. - The Armed Services YMCA (ASYMCA) announced a new \$31-million initiative with the

Department of Defense (DoD) to provide eligible military families and active duty personnel with access to youth development, family strengthening, and health and well-being programs through memberships at community YMCAs nationwide. Membership fees will be underwritten by the DoD and administered through Military OneSource. YMCA of the USA, the national resource office for America's 2,686 YMCAs, will help launch the initiative at Ys across the country. (See *YMCA Advantage* Page 7)

Inside The Insider

- **The Foundational Truth Will Set You Free** - By: Thomas Plummer
- **Fifteen Steps to Paradise - Step 4** - By: Will Phillips
- **Keep the Learning Going** - By: Jeffrey Keller

- **8 Resolutions for Stellar Sales Success in 2010** - By: Karen Woodard-Chavez
- **An NFBA Exhibition: Functional Training** - By: Justin Cates
- **A New Beginning** - By: Sandy Coffman

Norm's Notes: • Remembering Those We Lost In 2009... • The Main Event a Success • Gale Lander's Fitness Formula Clubs Add Former Crunch Location • End-of-Year Cleaning • Thomas Plummer's "Insider Speaks" • The Nightmare that is N.J. House Bill 2164 • Thank You to Jeffrey Keller • Beware: Shane Franklin Still At It • Swedish Physical Fitness = Mental Growth Study • Thank You to Industry Defense Fund Contributors • Closing Out 2009



Norm's Notes



•**Hello Everybody!** This is your **CLUB INSIDER Publisher and Tribal Leader Since 1993** checking in as we roll into our **17th year of publication and wrap up 2009!** Well folks, here we are at the end of another year! My, my... how time does fly! This year, we're pleased to present our **"2009 In Review" Special Edition** with our cover story produced by **JUSTIN CATES**.

•Is America a great country or what!?! **Hmm... hmm... hmm!** God bless America!

•Before I cover any news, let me go back and remember some wonderful people that we lost in 2009: My **Dad's** beloved wife of 17 years, **LOUISE**; **DICK CARO**, the father of industry veteran Rick Caro; **JULIE MAIN**, the owner of the **West Coast Athletic Clubs**; **MIKE MILLICAN**, **ABC Financial Associate** for 15 years; **EDDIE DAIL**, a beloved **Virginia Gold's Gym Owner**; and **KEN LUCAS**, a great club industry veteran and sales associate. **May Louise, Julie, Mike, Eddie and Ken rest in peace!**

•I shouldn't proceed further without mentioning that **JULIE MAIN** was remembered on November 14th in Santa Barbara with **The Main Event** where over 200 people attended to raise money for the **Julie Main Endowment** to benefit Julie's **Cancer Wellfit Program**. Attendees included Julie's husband, **MICHAEL**; sister, **LAURIE**;



Julie Main

mother, **DIANE BASKIN** and **CAROL NALEVANKO**. There were also live and silent auctions to augment donations with proceeds donated to the **Cancer Center of Santa Barbara** under Julie's name. This March in San Diego, **IHRSA** will present the **2nd Annual JULIE MAIN EMERGING WOMAN Award** to a deserving industry leader. Julie Main, the owner of the **West Coast Athletic Clubs** in Santa Barbara, California, and former **IHRSA** President and Board Member, actually served the Association in official roles for more years than anyone else, and we lost her on **May 4, 2009**. May Julie rest in peace.

•**Congratulations to GALE LANDERS**, **Fitness Formula** owner, former **IHRSA** President and **Board Member** and two-time **Club Insider** cover story subject, as he has purchased one of the **Crunch Fitness** locations in Chicago out of the **Crunch** bankruptcy. Gale was close to making this deal when we were

producing his cover story in October but not close enough to announce. Now, this former **Crunch** location is **Landers' 10th** Chicago club location. Couldn't happen to a nicer guy!

•This time each year, I write about back office business matters. So, let me mention that now is a great time to review your club insurance and club lease, if you have one, to be sure all is in order. If you don't do such a review each year, now's the time to start by contacting **Sport and Fitness Insurance's JENNIFER URMSTON LOWE** for a no charge insurance review (See **Sport and Fitness Insurance's Ad on Page #18**). Jennifer may be reached by phone at **(800) 844 - 0536, Ext. 2333** or email at **Jennifer@sportsfitness.com**. You should also review your club lease to see if you have scheduled rent or CAM increases coming up, and if so, when and how much. You should also consider that your landlord might be willing to renegotiate your lease terms with you during these times. Making a move now on that could prove to be worth a great deal to you over many years to come, and I would suggest that you contact **RICK CARO** of **Management Vision** in New York City to discuss your lease and the best approach to changing it. Believe me, Rick is the best in that realm and an investment with Rick to help you with your lease needs would be very well spent. You may reach **Rick** by phone at **(212) 987 - 4227** or

email **mgmtvision@gmail.com**.

•My son, **JUSTIN**, and I had the pleasure of attending **Thomas Plummer's National Fitness Business Alliance** two-day seminar here in Atlanta November 25-26th, and as always, it was terrific! 130 people from around the country attended. Plummer throws a lot of information at his attendees, and one of the biggest challenges for them must be to take away all of his **"Write This Down"** action items, pick a few they can go to work on and follow up on them efficiently. Be sure to check out **Thomas' "Insider Speaks" Article on Page #6** entitled, **"The Foundational Truth Will Set You Free."**

•**IHRSA** President/CEO, **JOE MOORE**, tells me that 34 New Jersey club owner/operators/**IHRSA** Members and the **IHRSA Lobbyist for New Jersey, Mary Kay Roberts**, had a November 30th conference call to discuss the awful proposed legislation known as **House Bill 2164**. HB 2164, if passed, could put a lot of operators out of business very quickly. Here is a list of the draconian measures the **New Jersey Legislature** would potentially heap on commercial club operators, and **by the way, ALL not-for-profit facilities, meaning YMCAs and JCCs, would be exempt from this mess.**

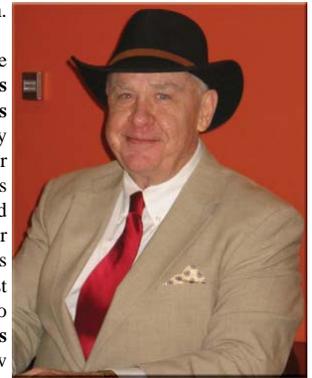
HB 2164:

•Requires certification of New Jersey's personal trainers and group exercise instructors. The certification requirement is a change from the original bill's call for licensure of trainers and instructors.

•Charges the State Board of Medical Examiners with oversight of the implementation of the bill's certification requirements.

•Provides two tracks for certification. The more permanent track requires the following of trainers and instructors:

◦Completion of an approved course of study of at least 200 classroom hours. A portion of these hours must be in-person. **IHRSA** research indicates that there is only one such organization currently offering this curriculum in New Jersey.



Norm Cates

◦50 hours at an internship under a certified fitness professional.

◦Passing an in-person Board administered exam.

◦Possession of at least an Associate's degree in a health and fitness related field.

•Also provides that trainers and instructors certified through a National Commission for Certifying Agencies (NCCA) accredited program and practicing prior to the Act going into effect will be certified by the State. However, they must complete the course of study prescribed by the State within two years in order to maintain certification.

•Certification must be renewed every three years.

•Certified trainers and instructors may be required to complete continuing education credits as determined by the Board.

•Fees will be established and imposed on trainers and instructors as a part of certification and renewal. Health clubs must register with the State and renew every two years.

•Non-profit fitness facilities are exempt from S.B. 2164.

•**Thank You** to **CLUB INSIDER Contributing Author, JEFFREY KELLER** (See **His Article on Page #22**) as he gave me a heads up and forwarded the **Press Release** that appears on **Page #3** about the **YMCA** gaining even greater advantages over commercial clubs.

•**SHANE FRANKLIN** is the industry bad guy I've mentioned the last couple of months who is now pre-selling gyms he promotes under the **Powerhouse** (See **Norm's Notes Page 10**)

Thank You!

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The "INSIDER SPEAKS"

The Foundational Truth Will Set You Free

By: Thomas Plummer

Publisher's Note: This month's Insider Speaks column is written by Thomas Plummer, who is the single most prolific and proficient educator in the health, racquet and sports club industry. His reputation as a straight-shooter is embraced in the article that follows, and he truly "Tells-it-like-it-is" here (This commentary was in a blog Thomas recently wrote for his website www.thomasplummer.com).

Thomas Plummer is a 30+ year industry veteran and was chosen as member of the IHRSA Platinum Committee, assembled in preparation for its 25th Anniversary Celebration. Plummer then united his National Fitness Business Alliance with IHRSA for a while, but that arrangement went by the wayside as IHRSA continued to move away from seeking the independent market, which Plummer so well represents and where IHRSA has so little penetration at this point in time. Allowing that to happen was a huge mistake by IHRSA. Look at these numbers:

In a time when IHRSA is seeing significant revenue decreases (reportedly down to \$13 million annually from \$17

million a couple of years ago), U.S. club owner support is waning as IHRSA persists in its focus on international clubs. This is going on while Joe Moore has been urging the IHRSA Board to redirect its focus to the mission of serving U.S. clubs that have helped grow IHRSA for 29 years. All the while, NFBA has been filling the obvious gap that IHRSA is missing and has been doing a good job of it. This year, NFBA has conducted 14 seminars, and Plummer has done another 25 weeks or so of seminars and workshops around the country, attracting people who own and operate more than 4,000 clubs.

If this type of face-to-face exposure with club owner/operators is the measure, I think Plummer probably has had more direct influence during the past 30 years than anyone in the world in the club business, due to the sheer number of people who hear his unique ideas and use his business systems. But, let me be clear. Should the IHRSA Board not begin to truly listen to Joe Moore and work with Joe to take IHRSA in the direction it should be heading and NOT fix IHRSA by the end of the year 2010, I will predict now that IHRSA will be on its way to failure. Additionally,

it's important to keep this in mind; Joe Moore and Thomas Plummer are actually on the same page with me in this desire to refocus on U.S. clubs.

This is not fun for me to write. I, Norm Cates, the 1st President of IHRSA and a Co-founder of the Association, with Rick Caro and 5 others in 1981, would much rather be reporting nothing but great things about IHRSA to you. But, if I did, I would be lying to you. This is not a good situation for the health, racquet and sports club industry in the United States because this industry is in disarray and needs a leading organization to move it forward. Were I Joe Moore, the great fellow that replaced John McCarthy almost three years ago, I would urge the IHRSA Board of Directors to hire Thomas Plummer immediately as a consultant and listen to what this man is saying because he is right with his diagnosis of IHRSA, and he has some excellent and specific ideas about how to reorganize it.

Read the following by Thomas Plummer, which was a result of his last training session in Orlando with many YMCA folks, and I bet you will agree. The bottom line is, if IHRSA does not define its ills and fix them pretty quickly, in a couple of years, you may be hearing about the launch of a brand new U.S. Independent Club Association with a Foundational Truth something like this: **"To help U.S. independent health and fitness clubs operate their businesses in an ethically appropriate, trustworthy and financially profitable manner."** Stay Tuned!

The Foundational Truth Will Set You Free
 By: Thomas Plummer

When you spend your life fixing all kinds of businesses, you come to realize that there are really just a few fundamental laws that govern whether a business owner will succeed or not. Even if you read endless business books, and limit yourself to just the literally thousands released during the last few

years, you will find that most of these books can be boiled down to the same key points buried in a lot of fluff and filler that makes that book unique. One of the basic elements that is recurring in all the good books is that you must seek the foundational truth of your business if you want to build a sustainable business that will last through the years.

I was recently in Orlando to do a few hours of management training with about 70 of the senior staff people from many of the YMCAs in central Florida. It was a very motivated and talented group, but most of the room had never been in an NFBA workshop before and had no idea what would really be taught. As with most workshops, they initially asked me to do what most similar groups want, and that is for all outsiders to come and do training that supports their existing belief system. In this case, you often don't know what you don't know and you continue to pursue more of the same old thing, even when those systems might be dated or based upon false assumptions born from too often believing your own brochures or from too much inbreeding of ideas passed back and forth within your own system instead of seeking outside challenges that force growth.

I prepared for the meeting by chatting with a few of their Directors. It became apparent that these businesses are no different from any other working service business, and especially, no different from most other fitness businesses. The Ys in Florida have talented leaders surrounded by good people all trying to do the right thing, but the mistakes they make often offsets what they think they believe they are trying to accomplish. The Ys are large businesses that touch a lot of lives in their markets, but they are not as effective as they could be in the sense that many of their standard business practices work against helping the largest number of people possible.

Where the Ys could be more effective, and where almost all small businesses get in trouble, is finding the way back to the foundational truth of



Thomas Plummer

that business. **The foundational truth is usually a single sentence that defines the business and why it exists.** Stray from your foundational truth, and you will usually fail at some point.

For example, one of my good friends in the industry, Norm Cates, co-founder of IHRSA and the 1st President some 29 years ago and publisher of **CLUB INSIDER**, and I were having lunch in Atlanta and were discussing IHRSA and its current financial issues and image problems. The surface reason why a company such as IHRSA would be down in revenues and losing membership would be to blame it on the economy, but that is just too easy and doesn't address the major foundational issues that will affect it as a viable force in the industry for years to come.

I believe IHRSA has simply strayed from its foundational truth, and it can't be fixed until everyone recognizes why it is broken and why it can't be merely patched. **The foundational truth for IHRSA is that it is a trade organization that exists to help all fitness facilities of any size or function to be more financially successful.** If this foundational truth is correct, then almost everything they are currently doing is wrong.

For instance, why pay Bill Clinton an enormous sum of money to speak for an hour and a half at a national convention? How does that match the foundational truth of the organization if they exist for the sole purpose of helping fitness businesses become more successful? This decision doesn't

(See *Insider Speaks* Page 7)

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...Insider Speaks

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work with the foundational truth because Bill Clinton does not help any fitness business become more financially successful; therefore, there is no valid reason to pay him huge money merely to entertain fitness people.

The membership of the IHRSA trade association would be better served, and the money better spent on that membership, by bringing in as many small business gurus, such as Larry Winget, Jeff Gitomer, Tim Ferris or Paco Underhill, as they can afford and let these guys all do three-hour workshops. Sadly, you could probably get all these guys and more for what they wasted on Clinton, but when you forget why you exist, then there are no guidelines to follow and everything you do becomes a disassociated random event.

In this example, the foundational truth, to help every fitness business of any kind become more financially successful, wasn't serviced by that choice of speaker. Either what you do enhances the foundational truth of the business or it violates that truth and should not be done. Another example by IHRSA is CBI Magazine, which is a slick piece that is almost totally irrelevant to any owner looking for ideas and leadership that should come from a national trade association dedicated to a business' success. The magazine is a great magazine from a generic fitness and industry gossip point of view, but it is not designed to support a trade association whose purpose is to help its members become more successful; therefore, it should be radically changed to meet the foundational truth.

...YMCA Advantage

continued from page 3

The ASYMCA - DoD Outreach Initiative responds to a provision in the National Defense Authorization Act of 2008, which requires the Secretary of Defense to develop a plan to support military family readiness and to ensure that military family readiness programs and activities are available to all deployed National Guard and Reserve families, and some active duty families in certain special categories.

"YMCA of the USA is proud to partner with ASYMCA

The Ys, which are as far from IHRSA as you can get philosophically, also suffer from a disassociation from why they exist. Remember, the YMCA is one of the oldest fitness organizations in the country, and the longer you exist in business, the more likely you are to stray from your foundational truth. Ys have been helping people longer than every other chain in the country has existed, and the Ys deserve our respect even if you don't agree with how they function.

To me, the Ys have a very self-evident foundational truth: They exist to change as many lives as possible in their competitive market. They don't exist to service the community. They don't exist to provide family fitness to those in their neighborhoods. And certainly, not for the vague reason, as the YMCA national website claims, "The nation's 2,686 YMCAs respond to critical social needs by drawing on our collective strength as of one of the largest not-for-profit community service organizations in the United States." This is a noble statement, but how do you lead hundreds of staff and project change into the future with such a broad, hard to intercept claim?

Ys do great work, and yes, I acknowledge the tax issue that has been debated ad nauseam, but setting that issue aside, Ys fill a family gap that is lost in most markets. Orlando, for example, is flooded with almost every national brand, but the Y is the only organization, except for the RDV Sportplex, that is truly embracing families in that market. They do a great job, but all Ys could do better if they return to their foundational truth, which again should be to change lives.

For example, most Ys

and DoD to ensure that our nation's military and their families have access to some of the best youth development, family strengthening, and health and well-being programs available at YMCAs in communities across this country," said Neil Nicoll, president and CEO of the YMCA of the USA. "Our YMCAs have the unique capability to provide families of deployed military service members with support that is generally only available to families who live near a military base."

The program is expected to serve more than 27,000 military families and active duty members.

are truly lousy at sales, and many directors feel that even the word "sales" is almost evil in intent. If the Y people use the traditional definition of sales in this industry, they are right. Sales, as done by many of the big chains, are harmful and degrading to the client, and all of those dated tactics should be avoided at all cost in mainstream clubs and Ys alike.

But, Ys exist to change lives, or at least should, if that is the foundational truth. If someone visits a Y and is handed a brochure and left to do their own tour, or simply walks around with a young counter kid, then the Ys have failed that person and have failed the foundational truth. Someone came into a Y for help, and the Y staff, in a knee-jerk overreaction to the mainstream sales systems used by the nasty big chains (we're not like those bad people), often goes too far the other way and doesn't even use competent people to explain the prices and the many, many options a typical Y offers.

The Y failed the client because the client came in for help, was ignored beyond a "Hello, here is our brochure," and left to do their own tour. Perhaps, they spent a few minutes with an undertrained counter kid, and then, after wandering through a large and confusing physical plant, walked out because fitness is not rooms of equipment, it is a support system, and you can't understand that with a quick walkthrough in a vast building.

This potential member might then sign up at another club, and we all know that a de-conditioned person that becomes a member at some of the big, sales-driven chains, will be eaten up as a sales number and left on the floor to die. He will fail because those clubs exist to get

sales numbers, not change lives. The Y, because of a dated and misguided sales belief, actually hurt someone here because the person trusted a Y for help and guidance, and no one developed any type of system that could powerfully help the guest realize the true difference of working out in such a family-driven and supportive culture. In this case, the Ys forget the foundational truth: They exist to change lives, and they have to start that process when the person first inquires.

If your foundational truth was to change lives, then the Ys would have to change their definition of sales. Sales could be redefined as: helping people get the help and information that they trust the Ys to provide. Again, if the foundational truth is correct, then how most Ys sell is wrong because you can't change a life if you can't get the person into your system. Remember, the anti-sales belief sent this guy down the road to another club, which
 (See *Insider Speaks* Page 8)

JLR Associates Announces the placement of

Ira Gerstler Marketing Consultant Peak Performance

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"The YMCA and ASYMCA have a history of commitment to developing innovative programs that help military families lead healthy lives, improve personal and family relationships, become better leaders, strengthen positive values, and develop specific skills, while at the same time building a sense of community," said Frank Gallo, Rear Admiral, USN (Ret), national executive director for the ASYMCA. "Seldom has our support been as critical as it is today with active duty soldiers, National Guard, members of the reserve and their families under more strain than at nearly any

time in our history."

Eligible participants can sign up by identifying a participating local YMCA on www.ymca.net during the month of October, providing proof of eligibility by showing a military identification card and a copy of deployment orders, and completing an eligibility verification form. Eligibility forms can be found at www.militaryonesource.com. Those eligible to participate in the new initiative include:

- All interested families of joint deployed National Guard and Reserves

- Active Duty families assigned to newly established Joint Bases created by the Base Realignment and Closure (BRAC) process

- Active Duty Independent Duty station personnel (single or family members)

- Relocated spouses and family members of deployed Active Duty personnel.

"There is no question, deployed soldiers who know their families are well taken care of during deployment are better equipped to deal with its pressures," added Gallo. "This partnership between the DoD, YMCA of the USA and ASYMCA seeks to provide this support."

...Insider Speaks

continued from page 7

goes totally against the culture of caring and family that the Ys own.

We forget, as do our Y friends, that most people who inquire about fitness at a family style club are often confused and frustrated with fitness and many are scared or had bad experiences somewhere else. The sales encounter is exactly the place you would want to have your best and most highly-trained people, meaning the ones who are patient and understanding, meet all potential members and spend a lot of time answering questions and making sure the person understands the Ys culture and sense of family, two of the things the national Ys do better than most other mainstream clubs. You just can't do that with a cheap brochure and a guided tour by a young, inexperienced kid.

Drifting from the foundational truth affects all businesses, no matter how big or small. If you can't define your business, and the purpose of that business, in one sentence, then you can't make the decisions you need to make, train your staff, or even market your business because you don't know what the hell you are trying to accomplish.

When you explore your own foundational truth, start with the question, "Why do we exist?" Then ask, "What are we trying to accomplish with this business?" Avoid the trite making money statement. *Making money is what happens if the foundational truth is correct for your business.*

If your business isn't performing the way you expect, then always return to the foundational truth first. If you can't define your business simply, and what you are trying to accomplish with that business, then how do you train staff, market, and even paint the place without making random decisions based upon the situation at hand, rather than informed choices based upon fulfilling your truth?

Most importantly, you sometimes have to realize that you are so far away from your foundational truth that you have to tear it down and start again rather than patch and keep following the same flawed rules that are destroying you, such as IHRSA tries to do. In many ways, IHRSA is the same as the Ys with a lot of good people who need to return to the truth that created both organizations.

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...Norm's Notes

continued from page 4

Gym brand in the San Diego area. This guy is really bad for the industry wherever he shows up for several reasons:

1. He is selling under the Powerhouse name without authorization, even after the Powerhouse people have repeatedly told him to cease and desist.

2. I have a list of offenses this ex-convict has committed, and believe me when I say, it's long. It includes everything from taking in investors with false promises to negotiating leases and not living up to them. He has sold memberships up until the last day before he pulls up stakes and hits the road and has conned investors into signing leases and loans and then moves on.

For some odd reason, he's attached to the Powerhouse name. Maybe it's because he doesn't have to buy any signage to go into business. He just rents some space and keeps renting an old Powerhouse rug with the name and logo on it. All he has to do to be in business and selling memberships is to tack up the old rug on an exterior wall for his signage. Now that's a LOW overhead! And, to you folks in San Diego, good luck competing with this crook in town. It won't be any time at all before he will have damaged the reputation of our industry there so that you won't be able to sell memberships. **Stay Tuned!**

• This just in from **IHRSA's JOE MOORE:**

A new, large Swedish study indicates that physically active boys may be smarter than boys who get less exercise. Researchers indicate that the findings have important implications for the education of children. According to a recent article from Reuters Health, researchers conclude that, "increasing, not decreasing, physical education in schools can not only slow the shift toward sedentary lifestyles, but by doing so, reduce risk of disease, and perhaps, intellectual and academic underachievement." The data used in the study included all 1.2 million Swedish men born between 1950 and 1976, when mandatory military duty was required. Additionally, the size of the study meant researchers

could compare thousands of sets of twins, finding on average, that the fitter twin also had a higher IQ score. It is unclear from this study whether more active boys are smarter or whether smarter boys are more active. "We cannot assume that fitness per se increases cognitive function, so joining a gym does not by itself make you 'smarter.' But, in order for optimal cognitive function/development to take place, regular cardiovascular exercise is needed," said Dr. H. Georg Kuhn, one of the authors of the study. Researchers believe that the same results could be extrapolated to girls, who have similar cardiovascular risk factors.

• I want to echo **IHRSA's Thanks** to the organizations that contributed to the **Industry Defense Fund** this year. In case you don't know it, IHRSA does a huge service for all 30,000+ clubs in this industry by **monitoring State Legislation in all 50 States carefully and fighting off Legislation that will hurt your clubs.** **HELEN DURKIN** and her **IHRSA Public Policy Team** have been fighting for about 9 years to get the **WHIP and PHIT Acts** passed. Either or both of these measures, once passed, will make a *huge difference* in the future of your club business, and you should contact **IHRSA's MEREDITH POPPLER** at **(800) 228-4772** to arrange to chip in for this fund. And, please note that **CLUB INSIDER** has chipped in to help the cause, meaning we are sending the money we can every month to IHRSA to try to help your club, whether you are an IHRSA member or not.

Here are the **2009 Contributors to the Industry Defense Fund:**

Titanium Contributors (Over \$60,000 in Contributions): Anytime Fitness Corporate, Curves International and LA Fitness International.

Gold Contributors (\$15,000 to \$30,000 in Contributions): The Atlantic Club, Atlantic Coast Athletic Clubs, Equinox Fitness Clubs, Fitness Formula Clubs, In-Shape Health Clubs, Tennis Corporation of America (TCA), The Wellbridge Company and Western Athletic Clubs.

Silver Contributors (\$5,000 to \$14,999 in Contributions): The Alaska Clubs, Club One, Dedham Health & Athletic Complex, The

East Bank Club, The Elite Fitness and Racquet Clubs, Gainesville Health & Fitness, Genesis Health Club, Gold's Gym International, Health Fitness Corporation, The Houstonian Club, Leisure Sports, Lifestyle Family Fitness, The Maryland Athletic Club, MVP Sports Clubs, Millennium Partners Sports, Rice Fitness Centers, Saw Mill Sports Management, T.W. Holdings and Wisconsin Athletic Club.

Bronze Contributors (\$2,000 to \$4,999 in Contributions): The Belmont Athletic Club, Brick Bodies Fitness Services, Cedardale Health & Fitness, The Claremont Club, ClubCorp, Club Fit Jefferson Valley, The Columbia Association, DMB Sports Clubs, Gold's Gym Alliance of Atlanta, Gold's Gym Alliance of DC, VA & MD, Gold's Gym Alliance of New England, Gold's Gym Alliance of NY, NJ and PA, Gold's Gym Franchisee Association, Hoffman

Insurance Services, Livermore Valley Tennis, Michigan Athletic Club, Oxford Athletic Club, Plus One Health Management, Rochester Athletic Club and The RUSH Fitness Complex.

Friends (Less than \$2,000 in Contributions): BodyBusiness Health Club & Spa, Club Insider, Fitness Management Systems, Gold's Gyms of Los Angeles, Gold's Gyms of Wenatchee, WA, Hockessin Athletic Club, National Academy of Sports Medicine, Spearman Clubs, Oakland Hills Tennis Club, OneFitness by Galiani and PRO Sports Club.

• **Merry Christmas and Happy New Year!** If you're not a **Christian**, then please accept my warmest **Holiday Greetings and Happy New Year wishes.** And, please know this. God is great, and today, I ask him to bless our troops, airmen and seamen at war in the Middle East and serving around the world and to please

bring them home safely as soon as possible. I ask God to bless their families as they worry every minute of every day about their loved ones "over-there." I ask God to bless our injured troops, help them heal well and quickly and give them great lives ahead. God bless any of you who are sick or ailing or injured. Get well soon. Know that, in my heart, as I write these words, I'm pulling for each and every one of you, for your family, for your club(s) and for your members to be safe, happy and healthy. May our good Lord bless all of you!

(Norm Cates, Jr. is a 35+ year veteran of the health, racquet and sports club industry. Cates was the Founder and is now the 17-year Publisher of CLUB INSIDER. He may be reached by phone at 770-850-8506 or email at Norm@clubinsideronline.com)

www.linkedin.com/in/normcates

December 7, 2009
 RE: Pricing Adjustments

All CYBEX Customers, Dealers, Distributors, & Shareholders



Rarely, I know, have you been addressed by me directly in such a universal way. And yet, the importance of this communication made this action necessary.

This industry is undergoing immense change, brought on by an unsettling global recession, and equally, changes in technology that effect what we, as manufacturers, should make, and how and where we should make it. Exercise, clearly, is now medicine, sharing the stage with nutrition and behavior modification to give longevity and better quality of life to those who make it a part of their daily life.

By using and buying CYBEX products for your own customers, members, etc., you make our existence possible. Our customers, dealers and distributors are our partners and our success or failure affects all of us. And that is the very point of this communication.

As manufacturers, we continually change and adapt to accommodate the needs of our partners and those who use our products. Aesthetics, entertainment, and connectivity are a few of the templates and fashions that today give you and your users what they need to exercise more regularly and enthusiastically. And, of course, for CYBEX, we can never lose sight of our mission to design and manufacture equipment that maximizes results while minimizing the chance of injury.

The "fly in the ointment" for 2010 and beyond has now grown into a major dilemma for CYBEX. The situation for us to continue serving you requires a choice between two equally undesirable alternatives relative to price. Offer aggressive, deeply discounted pricing for 2010 (as too many competitors of CYBEX are doing), or increase pricing in January to allow us to continue investing in explicit differentiation in product safety, efficacy and performance. At CYBEX, we know we can't continue to try to do both alternatives. Choosing the former path will, inevitably, lead to an innovative drought. As CEO, I choose the latter philosophy, knowing that criticism and self-doubt would be in order, but the responsibility to represent not only our customers and partners, but the employees and shareholders of CYBEX, required a clear direction and a single choice.

In the last few years, the emergence of CYBEX Institute for Exercise Science has been critical to adopting those values that we will manufacture unique products that give CYBEX sustainable competitive advantage, creating patented singular advances in design and performance whenever possible. Of course, this direction implies significant capital investment in R & D. Short-changing investment in exercise science is a sure path to "me too" false innovations that offer only superficial or mere cosmetic change.

As you know, the fitness club market today is crowded and price-driven. Relationships have too often turned into one-time transactions. Hence, we know that not all of you will wish to accommodate the philosophy of value over price. And, we do not want to dramatically and negatively affect the operation of your business. To the degree that is possible for CYBEX, we will accommodate, where necessary, an orderly transfer of direction for you to move with another vendor.

We, of course, want you to stay with CYBEX. I believe the journey with CYBEX in the coming years will be one of pride and joint prosperity. We want us both to win. As you learn definitively the exact points of differentiation between CYBEX and our competitors, I believe you will be happy with your choice to stay the course against the price-driven strategies. The CYBEX Arc Trainer (which will make the ellipticals obsolete), The Bravo (over 400 exercises, many of which CYBEX will have copyrighted), and the CYBEX Eagle premium line of strength equipment are standouts that will help you win. And, there are more CYBEX-only product lines coming in the future. We will, of course, always require evidence-based independent university studies to reinforce most new product entrants and sponsor CYBEX product challenges to back up any new feature or performance claim. The CYBEX Challenge contest comparing our Arc Trainer to 5 ellipticals at last year's IHRSA trade show is only the beginning.

We know a higher price point based on value will be daunting for some. But, if you will allow us to help educate your member or customer or company to know CYBEX attributes versus many distinct competitor faults and flaws, we can work together to reach a higher ground of accomplishment.

My best to you in whatever direction you choose.

John Aglialaro
 Chief Executive Officer

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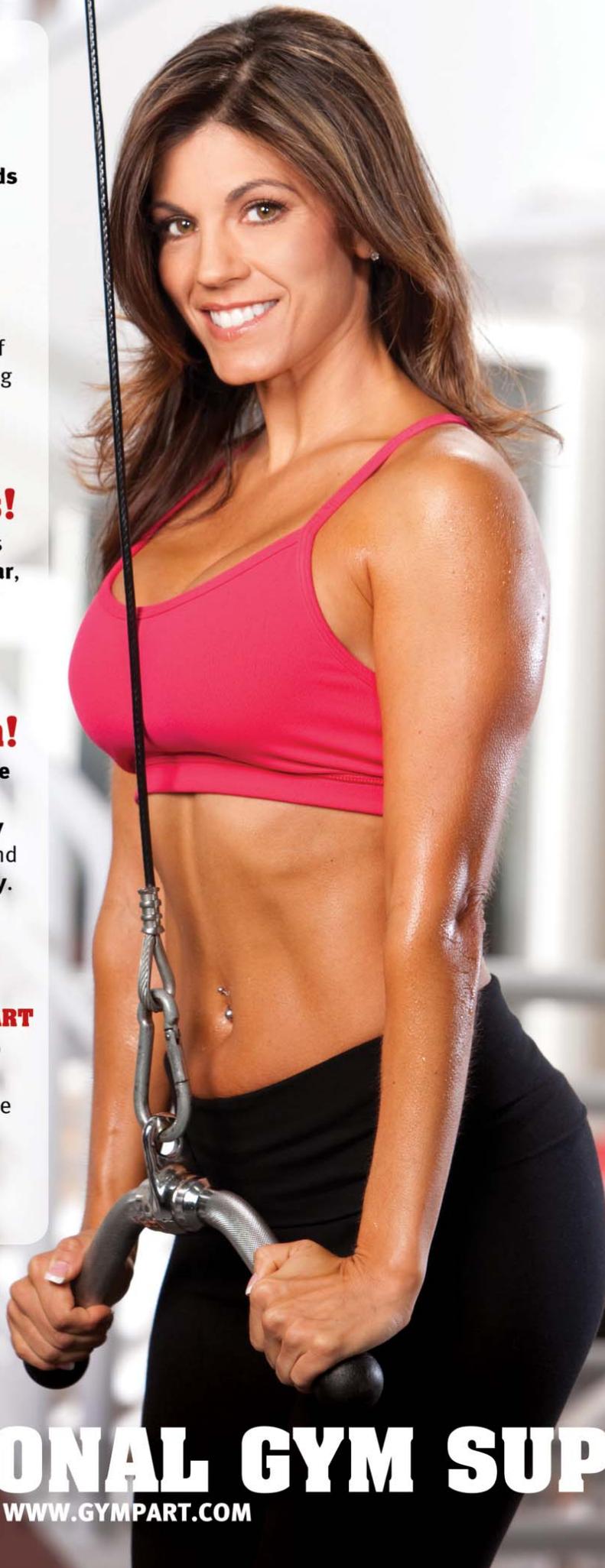
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...**"2009 In Review"**
 continued from page 3

Thank You

First, we want to thank you for reading **CLUB INSIDER**. We produce this publication for you and appreciate the opportunity to serve you. Additionally, I would like to thank our **Advertising Team** and **Contributing Author Team** because, without them, **CLUB INSIDER** would truly cease to exist. Our industry has a need for learning, sharing and knowledge advancement, and this publication's sole purpose is to help fill that need. We never forget our challenge and are thankful for it every day.

2010 and Beyond

In November, we began our 17th year of publication, and 2010 promises to be a very exciting year for **CLUB INSIDER** as we have some excellent things planned to bring an even better publication to you month-in and

month-out. In 2008, we developed the new print format you are currently reading and launched www.clubinsideronline.com, providing you with our Online Edition. In 2009, we continued to tweak our print format for readability (also featuring a cover redesign) and expanded our website with Archive Editions dating back to 2005! That is *dozens of great cover stories* about the true greats in our industry, *hundreds of informative articles* by our Contributing Author Team and *thousands of notes* in Norm's Notes! In 2010, we will continue to expand our archives, provide a simplified interface to read both the Online Edition and Archive Editions, and you will begin to see some multimedia content currently in development.

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Subscriber. You have received this and previous editions in hopes that you would subscribe and gain access to all the benefits a Paid Subscription offers. If you are not a Paid Subscriber, now is the best time ever to become one, as we recently decreased our price to **\$49** for a **One-Year Print and Online Subscription**. This includes 12 Printed Editions delivered to your door and full access to the growing features of our website, www.clubinsideronline.com. When **CLUB INSIDER** was established in 1993, \$49 was our original subscription rate, so this is a great deal. Or, you can make it a Two-Year Print and Online Subscription for the low price of **\$89**. This was our previous price for a One-Year Print and Online Subscription, so this too is an excellent deal! To subscribe, fill out the form (**See Right**) and send it in, or go to www.clubinsideronline.com/subscribe to subscribe today.

And Now, 2009 In Review:

- U.S. Health and Fitness Industry Push "Self Care Reform" in 2009
- Amy Simpson Hired As Visual Fitness Planner Vice President of Operations
- CheckFree Delivering Webinars by Karen Woodard-Chavez
- BTS Turns Stock Market Losses Into Gains for Clubs

Norm's Notes

- Congratulations to Justin Cates and his new fiancé, Danielle Morozewicz!
- Congratulations to Red and Emma Lerille, Celebrating the 46th Anniversary of Red Lerille's Health and Racquet Club in Lafayette, Louisiana!
- "A Change of Attitude" is Our "Insider Speaks" Article for the New Year
- Mike Grondahl Sells World Gym International to the Joyce J. Cammilleri Family!
- James Weaver, Gold's Gym International's New CEO, Weighs In
- The Sky is Falling! Ooops... Check That... It's Not True! But, Prices Have Fallen in Some Health and Fitness Clubs...
- Mark Your Calendar Now to Attend IHRSA 2009 in San Francisco, March 16-19, 2009
- Coming This Spring is the Club Industry East Show, May 27-30 in Boston
- Coming this Summer, August 18, 19 and 20th, is Wally and Meshelle Boyko's 28th Annual National Fitness Trade Journal Conference and Trade Show
- John McCarthy Announces 4th Annual Augie's Quest Bash

February 2009

Front Page Article Headlines

- Visual Fitness Planner Reaches 600-Club Milestone!
- Joe Moore On What's Happening At IHRSA

Inside the Insider

- Thrive vs Survive! Make it Happen!!! - By: Ray Gordon
 - What If Everything You Have Prepared For Is Irrelevant? - By: Will Phillips
 - The Economics of Weight Management in the Health Club Industry - By: Dr. Edward M. Slover
 - Medical Fitness Association Provides Important
- (See "2009 In Review" Page 14)



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January 2009



Front Page Article Headlines

- World Gym Returns to Its Roots!
- IHRSA Joins Certification Process
- James Weaver, New CEO of Gold's Gym International, Plans to Use Tried and True Methods

Inside the Insider

- The "Insider Speaks" - A Change of Attitude! - By: Norm Cates, Jr.
- It Starts With You - Make It Happen! - By: Ray Gordon
- Pulling Profit Out of "Thin" Air - By: Donna Krech
- How Much Is Enough? - By: Mike Grondahl
- A New Year's Mindset - By: Shawn Vint
- Staying The Course - Nine Factors - By: Will Phillips
- Industry New Year's Resolution Needs To Be - By: Ed Trainor
- The Goal of Programming is Retention - By: Sandy Coffman



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...**"2009 In Review"**

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Differentiating Tools - By: Norm Cates •Is Attitude Everything? Yes, It Is! - By: Jeffrey Keller, M.S., M.B.A. •Making the World a Better Place, One Community at a Time - By: Andrea Sobotka •The Joy of the Sales and Retention Connection - By: Karen Woodard-Chavez •Are Your Web Leads Falling Through the Cracks? - By: Casey Conrad •Guy Cammilleri, New World Gym Managing Director, Shares Inside Story on Acquisitions - By: Norm Cates •The Goal of Programming is Retention - By: Sandy Coffman •The Great Untold Secret About Exercise - By: Bruce Carter •Fitness Management Goes Online •The MFA Announces the First Annual Medical Fitness Institute •IHRSA Announces 3rd Quarter Index •IHRSA Launches New, Expanded 2008 Profiles of Success •Improve Your Club's Sales Performance AND Support Augie's Quest... in Just 1 Hour! •Plus One Acquires TimeOut Services, Inc. •Visual Fitness Planner Promotes Warren Webb and Sam Lanasa to Key Vice President Positions •Spectrum Athletic Clubs Completes Acquisition of Concord Athletic Club & Spa •Wellbridge Announces 5th Colorado Athletic Club •Cybex FT-450 Changes the Functional Training Landscape •CheckFree is now Fiserv Delivering Webinars by Karen Woodard-Chavez

Norm's Notes

•Big Doings at IHRSA San Francisco! •Greg Lappin Brings The "Neighborhood" to the Neighborhood! •4th Annual Augie's Quest Bash Set for March 18th in San Francisco... Silent Auction Items Needed! •Gale Landers and Fitness Formula Clubs Celebrating 25th Anniversary! •Ultimate Fighting Club Set to Fight in Health and Fitness Center Arena... but, Will They Have Referees? •Ron Polisenno Leaves CheckFree, Now Fiserv! •Happy 81st Birthday Mr. Ray Wilson! •Welcome to MFA! •Jeff Klingler and Chuck Runyon Celebrate 1,000 Anytime Fitness Locations! •Pete Brown Takes Fitness Management Online Only •VFP Celebrates 10th Year and 600-Club Milestone! •Thomas Plummer Launches Blog! •LA Fitness Sued •Larry Metrick Offers Flash Videos!

March 2009

Front Page Article Headlines

•Gold's Gym International Launches New Concept Gym •Affiliated Acceptance Corporation Celebrates

20th Anniversary! •CheckFree Health and Fitness Is Now Club Solutions, Fiserv •The "Question of the Century" for the Health and Fitness Club Industry

Inside the Insider

•The "Insider Speaks" - Got to Close? - By: Norm Cates •How Health Club Owners Can Reject the Recession - By: Jim Thomas •Forecast From Wall Street - By: Peter Moore •Hope and Change - By: Shawn Vint •READY. AIM. FIRE. FIRE. FIRE! - By: Chris Russo •Is Your Club Mining Gold? - By: Karen Woodard-Chavez •Social Bonding, Tribes and Affinity Groups - By: Will Phillips •Drive Incremental Revenue with Nutritional Products - By: Dr. Edward M. Slover •Spring Into Spring With The "Three 4 Three" Program - By: Sandy Coffman •Rick Caro's 13th Annual IHRSA Financial Panel •IHRSA Financial Index Shows Improved Overall Performance in 2008 •Medical Fitness Association Partners with NuStep, Inc.

Norm's Notes

•\$49 - Best Value for 50+ Archive Issues of CLUB INSIDER! •Julie Main Emerging Woman Leader Scholarship Winner is Karen Jashinsky! •Alan Downey, Mary Sharp and Affiliated Acceptance Corporation Team Celebrates 20 Years in Business! •CheckFree Health and Fitness is Now Club Solutions, Fiserv •24 Hour Fitness Now Selling Memberships Inside Costco Stores! •Western Athletic Clubs Take Over Operations at San Francisco Tennis Club •Former Health Club Owner/Operator, Robert Allen Stanford, Charged by Feds in \$8 Billion Fraud! •Houstonian Names Shannon Bille as Fitness Director •Nautilus Recalls 78,000 Bowflex Machines! •Brian Evans' American Family Fitness Donates \$25,000 to Send Kids to the Winter Special Olympics

April 2009

Front Page Article Headlines

•Rick Caro's 13th Annual IHRSA Financial Panel •Why You Should Support IHRSA's Public Policy Efforts •Nationwide Membership Sale Brings In 210,000 New Memberships! •Planet Fitness Club Hits \$300,000 Monthly EFT!

Inside the Insider

•The "Insider Speaks" - Are We Remarkable? - By: Justin Cates •Get Your A.S.S. in Gear!!! - By: Ray Gordon •Knowing When to Fold - By: Will Phillips •How to Double Your Dues in a Down Economy - By:

Donna Krech •The Paradox of Wellness - By: Shawn Vint •Health and Fitness Facility Certification... What's the Real Story? - By: Stephen Tharrett •Do You Lead a Tribe? - By: Jeffrey Keller, M.S., M.B.A. •A Bronx Tale: \$300,000 in EFT •IHRSA 2009 A Real Success Despite Current World Economy •2008 U.S. Health Club Revenues Total \$19.1 billion, up 3%

Norm's Notes

•IHRSA, a "House Divided" •Planet Fitness Sells 210,000+ New Memberships In One-Week Sale! •Don't Miss Club Industry East, May 27 - 30 In Boston •The "Split-Hall" Debacle •Some Multi-Purpose Clubs Could Attain 501(c)3 Status •Don't Miss the National Fitness Trade Show, August 18-20 In Reno •Marietta, Georgia Crunch Fitness Location Closes Its Doors, LA Fitness Honoring Memberships •"Courage is Resistance to Fear, Mastery of Fear - Not Absence of Fear" •Fitness Management Magazine Ceases Publication of its Online Edition •50-Year Club Veteran Still Learning at IHRSA 2009 •The Inside Story on NSF Certification Standards •IHRSA's 21st Annual Institute for Professional Club Management to be held August 2-5 In Reno •Peak Fitness Health Clubs Files for Bankruptcy •LifeCenter Plus Conducts Statewide Adaptive Aquatics Workshop •More Bad News About the Obesity Pandemic •Clear Your Intersections!

May 2009

Front Page Article Headlines

•Fitness Industry Leaders Across the Nation Gather on Capitol Hill to Campaign for a Healthier America

Inside the Insider

•Every New Member Is Valuable!!! - By: Ray Gordon •Getting an Appointment With an Appointment-Resistant Caller - By: Karen Woodard-Chavez •The Leadership Factor: Are You Up to the Challenge? - By: Dr. Edward M. Slover •The Fitness Industry Has Hit Rock Bottom - A Blog Post By: Thomas Plummer •How Not to Be a Micro Manager - By: Andrea Sobotka •Asking Questions Could Lead To Major Cost Savings! - By: T.J. Carter •Group Exercise Programming: A New Business Model? - By: Laurie Cingle •Three Programming Tips - Guaranteed Successful - By: Sandy Coffman •The 10 Commandments of Cancer Prevention •Congress Plans Incentives for Establishing New, Healthy Habits (See "2009 In Review" Page 16)

Life has enough missed opportunities...

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THE "I Should Have Asked Her Out When I Had The Chance" MOMENT



THE "I Should Have Left The House Earlier" MOMENT



THE "I Should Have Made My Offer Sooner" MOMENT



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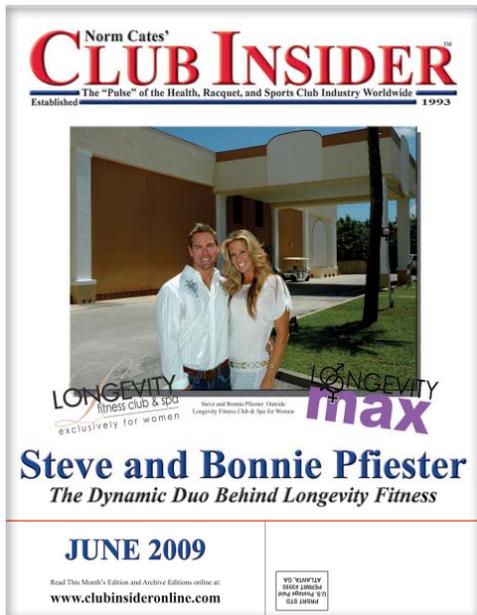
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- Equinox Fitness Clubs Continue Growth ●David Patchell-Evans Tries to Stop Canadian Tax Increase ●The AAFD Announces Curves International as Franchisor of the Year ●Reminder to Pool Owners and Operators

Norm's Notes

- Rest in Peace Julie Main ●Rest in Peace Louise Cates ●Crunch Fitness Takeover ●Planet Fitness Faces \$130 Million Lawsuit ●Michael Gerend Leaves LifeTime Fitness ●We Look Forward To Seeing You At Club Industry East ●Mike Chaet and Stephen Lundin Write New Book ●Adam Parker Joins Active XL ●Exercise is Medicine ●Three Million Fitness Balls Recalled ●NASM Develops Best Practices For Exercise While Pregnant ●Obesity in the News ●Silver Sneakers Alert! ●IHRSA D.C. Summit ●"IHRSA, A House Divided" Article Postponed

June 2009



Front Page Article Headlines

- The "Insider Speaks" - IHRSA, A House Divided - A Mirror Image of the Industry At Large

Inside the Insider

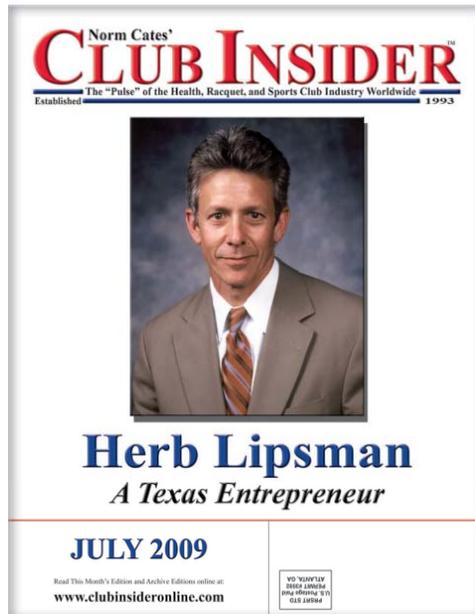
- Immunity to Change: A Breakthrough Insight Enabling Behavior Change - By: Will Phillips ●Seven Keys to Top of Mind Success - By: Andrea Sobotka ●The New Reality of Successful Fitness Center Operations - By: Bonnie Patrick Mattalian ●The Importance of Play in Your Programs - By: Sandy Coffman ●Cybex Launches Pink Treadmill to Support Breast Cancer Research

Norm's Notes

- My Condolences to Rick Caro for the Loss of his Father, Dick Caro ●America is Great! ●Congratulations to the Class of 2009 ●Congratulations to Justin Cates on His First Cover Story for CLUB INSIDER ●Club Industry's Light Traffic ●Telling-It-Like-It-Is About Bad Club Operators ●Trouble With Peak Fitness ●Attend the National Fitness Trade Journal Conference and Trade Show ●Rick Caro Joins Parisi Franchise Systems Board of Directors ●Casey Conrad Launches Nationwide Tour ●Jason West's Gold's Gym Sees Great Success with BTS ●Cybex Releases Pink Treadmill to Fight Breast Cancer ●Welcome Back to Sports & Fitness Insurance ●ReachLocal.com ●Randy

Ivey Leaves Club Solutions by Fiserv ●Helen Rockyey Joins World Gym International as COO ●Mike Minton's Sportsplex Completes Major Expansion ●Great Speakers at NFTJ ●Fitness Management Magazine Ceases Online Publication ●Andy Graham Joins Fabiano Designs ●Thank You to Diane Baskin for May 2009 Cover Story Correction

July 2009



Front Page Article Headlines

- The "Insider Speaks" - Be Smart When Dealing With The Press ●Planet Fitness Pitches a Sweet Deal to Franchisees at "Discovery Day" ●Colorado Athletic Club (Boulder) - City's Largest Club Build in 20 Years

Inside the Insider

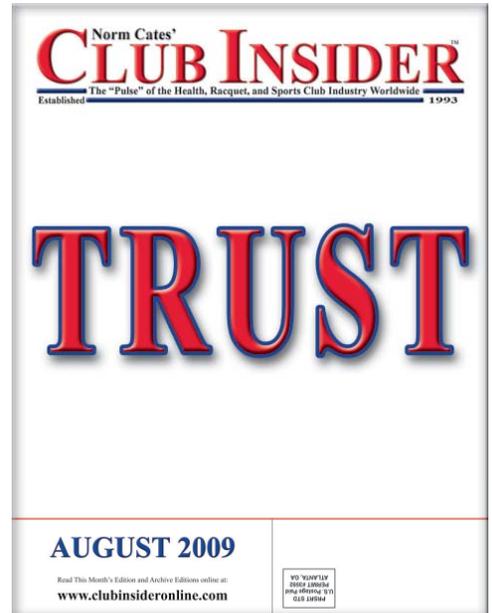
- Be Smart When Dealing With The Press - By: Norm Cates ●Retention Tips That Build Value - By: Jeffrey Keller, M.S., M.B.A. ●How Technology Improves Referral Success AND Saves Money - By: Casey Conrad ●The Management Mentor Program for Better Club Integration - By: Karen Woodard-Chavez ●The Summer Season Has Its Programming Rewards - By: Sandy Coffman ●Compete from Fiserv Adds Electronic Agreements and Multiple Payment Types ●First Annual Medical Fitness Institute Deemed a Success by Attendees ●MFA Publishes 2009 Medical Fitness Industry Compensation Survey ●Teens Adopt Healthier Lifestyles Through the Teen Fitness Connection ●Health Club Media Network Agrees to Acquire Alloy Fitness Network ●Study Shows Email Has Significant Impact on Increasing Healthier Lifestyle and Exercise Adherence

Norm's Notes

- 18-Month Subscription Special ●CLUB INSIDER is Now LinkedIn and Twittering! ●National Fitness Trade Show and Conference is Fast Approaching ●Jack LaLanne to be Honored at Club Industry ●Planet Fitness Innovating Again ●Comments From Jaimie Fairley ●Parisi Speed School Partners With GrowthAgents, Inc. ●Sport & Health Receives \$25 Million! ●Congratulations to Bill Coggin ●Conexon Acquired by Motionsoft ●Thomas Plummer's July 7th Blog Post on Retention ●Brad Wilkins Honored With 4th Annual John McCarthy Merit Scholarship ●Congratulations to Former Teammate, Jim Donnan ●Lifestyle Family Fitness' Good PR ●Former Club Owner/Operator Allen Stanford to Remain in Jail ●Morris Press Cookbooks ●Nine More Bally Clubs Close ●Allison

Flatley's L & T Fitness Health and Fitness Celebrates 25 Years ●Neal Boortz for the Radio Hall of Fame ●Correction! ●Check Out The "Insider Speaks" About Good PR

August 2009



Front Page Article Headlines

- Murder Strikes the Health Club Industry ●ATV Accident Kills ABC Financial's Mike Millican ●Randy Ivey Joins ABC Financial

Inside the Insider

- The "Insider Speaks" - 10 Ways To Build Trust Of Your Club In Your Community - By: Bonnie Pfister ●Catching Up With Cary Wing, Ed.D. - By: Norm Cates, Jr. ●If People Say "You're All Wet," It May Be A Good Thing! - By: Sandy Coffman ●Teens Impress Fitness Executives with Interest in Physical Activity ●L&T Fitness On The Move After 25 Years!

Norm's Notes

- A Beer Summit... ●Condolences to the Family of ABC Financial's, Mike Millican ●Murder Strikes the Health Club Industry ●Industry Tragedies of the Past ●Award Recipients at the National Fitness Trade Show ●Clubs for the Cure Launches "12 Days of Fitness" ●Planet Fitness Continues Its March ●Welcome Back to Karen Woodard's Premium Performance Training ●Welcome to Contributing Author, Derek Barton ●Welcome Back to Contributing Author, Bonnie Pfister ●More Ammo for the Battle Against Obesity ●Fitness Management Group Files for Bankruptcy Protection ●Lemond Fitness Resolves Litigation With Life Fitness ●Advice Verified ●Medical Fitness Association Launches Career Link ●Correction!

September 2009

Front Page Article Headlines

- Gold's Gym Owner, Eddie Dail, Suddenly Passes Away

Inside the Insider

- Welcome to the Hilton... We Have Beds! - By: Chris Russo ●Fifteen Steps to Paradise - By: Will Phillips ●Multiple Streams of Income - By: Donna Krech ●Let's Get Serious About Humor - By: Sandy Coffman ●ABC Financial Names Stephanie Johnson Leader of Club Support Division ●Fiserv Introduces ClubIQ, (See "2009 In Review" Page 18)



Daron Allen
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... "2009 In Review"

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Business Intelligence for the Health and Fitness Industry

Norm's Notes

●We Will Never Forget ●Eddie Dail Passes Suddenly ●Georgia's Cinderella, Melanie Oudin ●NFTJ Show Highlights ●Planet Fitness Names Big Ass Fans a Preferred Vendor ●Welcome to National Fitness Financial ●Google: Shane Franklin ●Club Industry is Coming Soon ●Casey Conrad's "Visit Our Club" Tour ●Dr. William Powell Honored ●Dr. Curt Beusman Named Mt. Kisco Citizen of the Year ●Billie Jean King Receives Presidential Medal of Freedom ●The "Sweet Spot" ●IHRSA Announces Excellent Public Policy Results ●Bally Emerges from Bankruptcy... Again ●Sergio Rojas Appointed to Head Presidential Council on Fitness ●NSF Standards Coming Soon ●IHRSA Helps Defeat California House Bill 374 ●"The Biggest Health Problem of the 21st Century" ●Nubody's 23 Fitness Center Chain Sold to Goodlife Fitness ●Anytime Fitness Teams With Exercise is Medicine ●City Blends Launches City MiNi

October 2009

Norm Cates' CLUB INSIDER™
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F F C
 FITNESS FORMULA CLUBS

Gale Landers' Fitness Formula Clubs Thriving For 25 Years!
 Chicago Club Chain Growing Via Acquisitions and Strong Management Team

OCTOBER 2009

Read This Month's Edition and Archive Editions online at: www.clubinsideronline.com

Front Page Article Headlines

●Announcing CatesFit Media ●Gold's Gym President/CEO, James Weaver, Resigns Post

Inside the Insider

●Fifteen Steps to Paradise - Step 2 - By: Will Phillips ●What I Learned Visiting Your Club - Part I - By: Casey Conrad ●Medical Referral: Getting Memberships from Medicine - By: Amanda Harris ●The Powerful New Competitive Advantage for Clubs - By: Bruce Carter ●The Ultimate Promotion - A Party!!! - By: Sandy Coffman ●Aquatics Magazine Honors Standout Aquatics Facilities

Norm's Notes

●Jack LaLanne Honored ●Linda Wallace Battles Leukemia ●Welcome to Fiserv's Mark Hutts ●Happy Birthday to Wally Boyko ●Planet Fitness' Second Discovery Day a Success ●IHRSA Faces a Dilemma ●Attend IHRSA 2010 ●Announcing CatesFit Media ●GGFA ●ACAC's P.R.E.P. Program ●Longevity Fitness Clubs to be Covered by Fitness Magazine ●Beware of Shane Franklin ●Anytime Fitness Convention in Atlanta a

Success ●Upcoming Conferences in Orlando ●Remember the Name: Ryan Harrison ●Augie's Quest Gearing Up for Second \$18 Million ●Sport & Health Acquires Gainesville World Gym ●Tasso Kiriakes' Terrific NFTJ Presentation ●Howard Lerman's YEXT Receives \$25 Million ●Robert Giardina to Serve as HydroMassage CEO ●Nautilus to Sell Commercial Division ●Cybex's Pink Treadmill Makes Great Run During Cancer Awareness Month ●Kirk and John Galiani Leave the Gold's Gym Brand ●No Health Club Sales Tax in Pennsylvania ●NSF Standards Ready for Review ●Casey Conrad's 8,832-Mile Journey ●Club Industry Slide Show ●Jan Rubins Shaves Moustache After 30 Years ●17 Years and Counting!

Inside the Insider

●Fifteen Steps to Paradise - Step 3 - By: Will Phillips ●Trust Marks - By: Derek Barton ●Cross-Program Marketing: Using Programs to Market Additional Programs and Services - By: Laurie Cingle, M.Ed ●What I Learned Visiting Your Club - Part II - By: Casey Conrad ●Five Steps to Programming Success - By: Sandy Coffman

Norm's Notes

●Happy Thanksgiving! ●The Clubs for the Cure Story ●Thanks To Our Veterans ●CLUB INSIDER Subscriptions Now \$49! ●Congratulations to Mike Dollard ●Shane Franklin Still At Large ●Athletic Business, Medical Fitness Association and International Council on Active Aging Meetings in December ●Atlanta Good 'Ol Boys Charity Celebrates 40 years ●Nautilus to Close Commercial Division December 8th if Not Sold ●Take Industry Surveys With a Grain of Salt ●Gold's Gym and the Galiani Brothers Part Ways ●Congratulations to Al Noshirvani ●Congratulations to Greg Lappin and the Remick Family ●Congratulations to Club One ●Defeat New Jersey Senate Bill 2164 ●Congratulations to Anthony DiLuglio ●IHRSA Does Not Approve ASF Standard ●Welcome Back to Active XL ●Great News For Expresso Fitness ●Larry Domingo Joins Star Trac ●Congratulations to Theo Hendriks ●24 Hours Fitness Facing Dated Lawsuits

November 2009

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The POWER of ONE

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Will the Health and Fitness Industry use the power of their relationships to make a difference in the lives of future generations?

12 Days of Fitness
 Clubs for the Cure During the Holiday Season

NOVEMBER 2009

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Front Page Article Headlines

●Gold's Gym International and Galiani Group Part Ways

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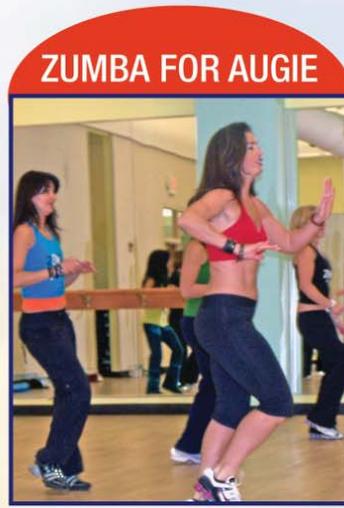
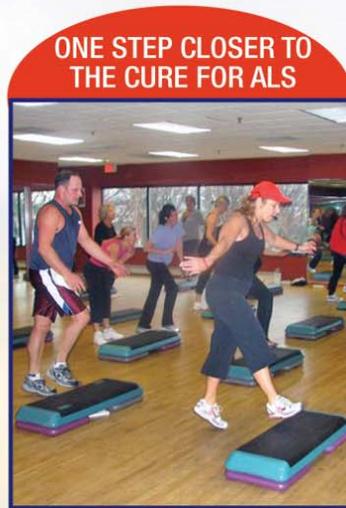
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Create Your Own Event that Harnesses the Power of Your Members and Staff!



Fundraising programs and materials are all provided for your use at www.clubsfortheCure.com as well as helpful phone contacts to assist your club in becoming part of this effort. Together we can make a world of difference!



Augie Nieto, founder of Life Fitness, was diagnosed with ALS in 2005. Later that year, Augie and his wife Lynne created the Augie's Quest initiative in conjunction with the Muscular Dystrophy Association (MDA).

One Club. One Event. One Man's Quest.

Fifteen Steps to Paradise

By: Will Phillips

Step 4 Managing By the Numbers: The Necessity of an Annual Budget

Most clubs underperform. They either fail to use the numbers to manage or they misuse them. Of course, all the numbers are historical, and you cannot manage history. Nor should you manage the numbers. In fact, "managing the numbers" is another way of "cooking the books," but it usually takes a smart numbers person, say a CPA or an MBA, to cook the books well. Wall Street, GM and Enron have all excelled at this culinary catastrophe. To make this really clear, managing the numbers is like cleaning the barn after the horse has run away.

Numbers are the record of the activities that occurred in your business, and behind these activities are the decisions made or not made by the managers running the show. Having a clear line of sight from the decisions to the numbers opens the possibility of managing the enterprise. Although you cannot manage the numbers, you can manage the activities and the decisions. Think of driving a car. Your driving decisions come from what you see ahead and your goal of staying on the road. The decisions you make in accelerating, steering and braking keep you on track to

achieve your goal. Imagine you are driving in newly fallen snow. Your tire tracks are a record of where you have been, just like a good financial system tracks where you have been. But, you cannot steer by looking at the tire tracks. Nor can you manage a company by simply looking at the numbers.

Managers Achieve Results

Harold Geneen, a very, very tough manager who used the numbers to build ITT, the world's first international conglomerate, said, "If you do not achieve the goals, you are not a manager, just a passenger along for the ride or a tour guide commenting on where we have been." A manager in Harold's definition was someone who achieved results. To manage in this sense, you must know three things:

- The goals for each number... where are we trying to go?
- The performance now of each number... where are we now and what direction are we heading?
- The line of sight links from decisions through the daily activities that produce the numbers.

This last piece of knowledge does not come easily. For instance, few club owners understand the line of sight for retention. Nothing demonstrates this better than the plethora

of presentations and articles on retention and the virtual immovability of the retention percentages in clubs. True management training is about learning the line of sights from decisions through activities to results for such basic club areas as sales, retention, hiring, growth, profit, etc. Until a person demonstrates this knowledge, they should not be called managers.

Step 4 in a Best Practice Club is the Annual Budget

As we enter the New Year, the foundation of managing by the numbers is your collection of integrated goals called a budget. Without a thoughtful, zero-based budget in place in December for the next twelve months, you cannot manage for best performance in the coming year. You are only along for the ride. Every budget begins with a commitment to the amount of profit you wish to make. How much should that be? In a healthy business, it should cover seven major areas:

- Normal costs of running your business responsibly
- Paying yourself well
- Funding your retirement
- Paying and benefitting employees well enough to attract the best and keep them
- Reinvesting 3-4 % of revenue in marketing and promotion
- Setting aside 5% of revenue into a capital expense fund
- Funding for emergencies you are not insured against.

Anything less than this amount of profit, and you are borrowing against the long-term success of your business to cover shortfalls in the short-term.

Building Your Budget

Working backwards, how many members paying how much in dues and non-dues revenue are needed for this level of profit? What does that mean for sales and attrition goals? What about new sources of revenue this year? Now, add in expenses. In my experience with the better clubs --those in REX Roundtables--they spend about 20% more on expenses than is needed

or necessary. In other words, they are very inefficient. For the past three years, each REX Roundtable club has averaged a \$100,000 reduction in operating costs per location every year for three years with no reduction in value delivered to the member or staff. One club with four locations removed \$700,000 from its budget in less than two months with no impact on the members or staff. Thus, a significant part of creating an efficient budget is based on a continuous, conscientious examination of your costs. REX has a *Workbook on Cost Savings*, mentioned in the Resources Section at the end of this article.

Efficient and Effective Budgets

The most efficient budgets are zero-based each year. This means no expense or income is simply carried forward from the prior year. This is lazy budgeting and inevitably leads to budget creep where your club is spending 20% or more of its revenue and getting nothing of value in return.

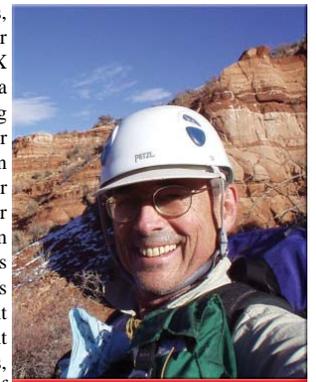
The most effective budgets are done before the year starts! They are the result of thinking, NOT projecting. They are supported by staff commitment, NOT compliance. They are built on honesty, NOT hope. Only then can you manage with the numbers.

CFO Magazine reported in January of 2007 that most businesses have widely inaccurate budgets and that 50% of the managers can't explain the gaps between what was planned and what was actual. This understanding is the basis of being a manager vs. a passenger. It is rare in every industry.

Lastly, an effective budget is rolling. This means you never discard the original budget, but create updated budgets alongside it. This might occur every six months, updating the budget without rigor results in closing the GAPS between planned and actual by adjusting the budget. This is called managing the numbers.

Building Commitment

Here are the guidelines on building commitment to a



Will Phillips

budget. Involve all those you want commitment from in the planning. Not everyone needs to be involved in every aspect all the time. As a minimum, insure that you have elicited thoughtful input on the budget that is affected by each person whose full commitment you wish. Involve the producers of the results in designing how their results will be measured. Be very careful in linking pay and rewards to budgeted targets. This creates pressure to "set up soft targets." Mostly though, commitment is built by nurturing dialogue over the proposed target numbers, challenging one another in a respectful way. "Tell me how you'll increase performance here? How is that different from last year? Can you show me how? I have doubts, let's talk. I don't agree, let's discuss."

Triple or Quintuple Bottom Lines

One contributor to our economic crisis is Milton Friedman's overriding mantra for business that "the business of business is business." This has become the driving force of public companies, where everything is driven to maximize shareholder return or profit. An alternative is seen with the hundreds of successful, and usually privately-held, businesses that commit to a triple bottom line; profit, employees and customers. None of the three are sacrificed to achieve the other. Some companies have moved to a quintuple bottom line by adding their community and the environment.

Bo Burlingham's book, (See Will Phillips Page 22)

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Keep the Learning Going

By: Jeffrey Keller

Now that the Club Industry Show is over and many owners and managers have returned to their clubs and businesses, how much of what we learned will be implemented? Some fantastic presentations were given by incredibly talented individuals like Casey Conrad, Rick Caro, Andrea Sobotka, Bonnie Patrick-Mattalian, Laurie Cingle, Bob Esquerre, Amanda Harris, Barry Klein, Rob Bishop, Nick Osborne, Sandy Coffman, Pat Rigsby, Brian Grasso, Eddie Tock, Will Phillips and Karen Woodard-Chavez. Unfortunately, the problem is that much of that wonderful information is going to get lost in the lack of execution that is rampant in our industry. Don't get me wrong, everyone in attendance had the best of intentions, but many will fall back into their standard routine because it's a lot of effort to execute. However, it doesn't have to be that way.

In many an experts' opinions, execution comes from leadership, and leadership comes from the confidence of doing the right thing, not just doing things right. Over the years, I have read quite a few books on the subject, and I'd like to share some of my favorites. Some are best sellers, and some aren't; however, each

had its place in helping me become who I am. Hopefully, they will do the same for you. They are in no particular order other than that's how I grabbed them from my office bookcase.

Leadership: Theory and Practice

- **By: Peter Northouse:** This was actually a textbook I had to read during graduate school. As much as many people don't like reading textbooks, this book is a great foundation for learning what leadership actually is. If you're looking to develop yourself, this is a great book to start with.

University of Success

- **By: Og Mandino:** Truly, this book is fantastic as an inspirational message from leaders throughout history. This book is a collection of writings from 50 renowned leaders including: Dale Carnegie, Ralph Waldo Emerson, Benjamin Franklin, J. Paul Getty, Dr. Napoleon Hill, Robert Conklin, P.T. Barnum and W. Clement Stone. Each one of their lessons is short, but inspirational and full of information for improving yourself.

Man's Search for Meaning

- **By: Viktor Frankl:** First published in 1946, and then translated into English in 1959, this book was originally written to be a description of the horror of

life in a Nazi death camp that led to Dr. Frankl's discovery of the psychological theory of logotherapy, focusing on the will to meaning. But, the insight gained from reading this book goes much further than the field of psychiatry and psychology. In reading this book, you'll discover the means to lead your organization during its bleakest hours.

The Grace of Great Things

- **By: Robert Grudin:** This book was suggested to me by Dr. Laura Birou. Though the beginning of the book is difficult to digest, it changed my entire perspective on life and career. If you choose to read it, please let me know. I would love to hear what you think.

The 48 Laws of Power

- **By: Robert Greene:** Make no mistake, this is a user manual for being ruthless, but tempered with some compassion for people. This goliath of a book has the knowledge of 3,000 years of the history of power packed into it. I especially like Law 32. Trust me, it works.

Tribal Leadership

- **By: Dave Logan, John King, & Halee Fischer-Wright:** If you haven't heard about this book, you've been under a rock. Listening to this book (you can get the audio version for free online, just email

me at jeffrey_keller@msn.com for the link) was another turning point in understanding how to transform my club into a well-oiled machine. Combined with the mastery of the 48 Laws, you should never have any challenge executing any change you want.

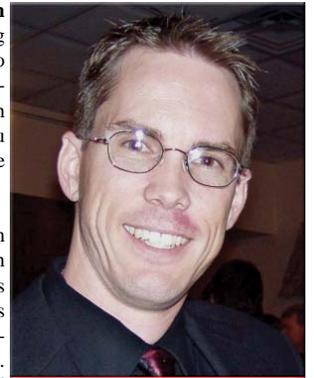
The Tipping Point

- **By: Malcolm Gladwell:** Focused more on marketing than leadership, this book describes how epidemics form. When applied to leadership, influence skyrockets. Understanding how to spread your message is important, maybe as important as the message itself.

The 360° Leader

- **By: John Maxwell:** More of a leadership manual for your staff than for yourself, this book is perfect for the leader who doesn't wield positional influence over others. It is divided into myths, challenges, principles and values. As an instruction manual for developing leaders within your club, this book can't be beat.

Notice there's nothing on this list written by Stephen Covey, Dr. Napoleon Hill or any of the other very popular



Jeffrey Keller

leadership experts. They are all fantastic authors, and if you haven't read any of their books, you should. But, if you want to be great, you have to do what everyone else isn't doing. So, read and learn, and if you do, I assure you that you will prosper. (Jeffrey Keller, MS, MBA, is the Assistant General Manager of VillaSport Athletic Club & Spa in The Woodlands, TX. He's also President of The Independent Health Club Networking Association. ANY and ALL comments regarding his articles are appreciated. Jeff can be reached at jeffrey_keller@msn.com, on LinkedIn, and on Twitter)

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...Will Phillips

continued from page 20

Small Giants, reports on businesses like this. He has uncovered hundreds, if not thousands, of similar commitments by business owners worldwide. All of this is to say that financial numbers are not the only ones you might have in your budget. For instance, the Goodwill Store in Portland, Oregon has a commitment to help each of its employees own their own house. Or, like several clubs I'm aware of, you might set a goal for your desired Net Promoter Score. This is the only customer satisfaction survey/score that is related to growth and profit. You choose the goals you wish to achieve and add them to your budget. Just remember, "That which is measured gets done." Too many clubs have highly complex statements of

purpose, mission statements and values statements. They then have customer service that never gets measured, and is therefore, not managed and just doesn't happen. They then wonder how to differentiate themselves...

Focus on Performance

Now that you have a budget, it can be adapted to human nature. The aspect of humanity I am referring to is our propensity to procrastinate. If we expect 100 sales this month, we drive for two weeks, and then hope a huge end of month sales push will deliver the 80 sales we need to reach 100. We lose weight and work out the same way. A real manager takes this into account and knows that achieving the first quarter's results is the most important challenge of the year, and achieving the first month's

results is the most important challenge of the quarter. Thus, huge effort, energy and emphasis go into being ready for these first period efforts, and then, they are aggressively managed.

Why? If anything slips in the first month of the year, you now have eleven months to catch up. If you wait until June to take real managerial action about a shortfall, you now only have five or six month of catch up time. Good managers are not always smarter, they just start managing earlier and have more time!

Taking human behavior into account creates the monthly and weekly goals. Now, further adjust these to your seasonal history; budget more for heat in the winter, more sales in January than June, etc. Don't just take the year's goal and divide by twelve.

The very best budget will be built through many push-

and-pull discussions between the owner and his management team. No single person will ever build a strong, efficient and achievable budget that your staff is committed to achieve. Use your team.

Resources for Budgeting

Supplement to this article: *Using Your Budget To Drive Performance* - by Will Phillips

Cost Saving Briefing- A REX Workbook For Clubs

Small Giants: Companies That Choose to Be Great Rather Than Big - by Bo Burlingham

Small Giants Web Community: www.gotmojo.com

For more on Net Promoter Score see *The Ultimate Customer Satisfaction Survey* The resources are available at www.RexRoundtables.com under Club Insider.

(Will Phillips is the President of REX Roundtables for Executives. REX chairs eighteen club owner roundtables in the U.S., Australia, New Zealand, Brazil and Japan. The newest REX Roundtable will focus on Small Giant businesses in all industries. Your comments and inquiries are welcome: Will@RexRoundtables.com)

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8 Resolutions for Stellar Sales Success in 2010

By: Karen Woodard-Chavez

As an industry, we are blessed every January with a windfall of new member sales due to people's "resolutions" to get fit, to lose weight, to feel better, etc. Some of the people who are driven through your doors with this motivation are successful while others are not. This article is not going to be directly dedicated to making your members more successful with their resolutions, but instead, this article will be dedicated to anyone who sells memberships in your club and will outline eight resolutions that, if implemented, will guarantee a higher level of success in getting and keeping Members.

Resolution #1

Resolve to be *inclusive* not *exclusive* with all people you come into contact with (prospective members, guests, co-workers, friends, strangers, family). When you are inclusive, you make others feel welcome and part of the whole. When you are exclusive, you make people feel excluded from whatever is going on, or worse yet, you can make them feel that they are not part of the club. An example I see in many clubs is that there is a core of staff that is close with a core group of members, but they do not venture outside of that familiar group. Their behavior with those members is more jovial, intimate and familiar, and with other members, it is somewhat aloof. That is exclusive behavior. Inclusive behavior would be to treat every member with the same level of warmth, congeniality and energy regardless of how long you have known them. When people feel included, they feel more comfortable, which automatically builds a higher level of trust and rapport. When trust and rapport are up, there are more opportunities for conversation, which can lead to retention and referrals.

Resolution #2

Resolve to regularly do your SBWA. What is SBWA? It is **Selling By Wandering Around**. The purpose of SBWA is not to go up to members and ask for names of their friends who might want to join, but instead, to

create time twice per day (fifteen minutes each) when you simply walk through the club and have conversations with the members you do know and introduce yourself to those you don't know. I realize that, for some of you reading this, SBWA is a no-brainer. I also realize that, for some of you reading this, SBWA is an uncomfortable challenge. What do you talk about? Ask them what experience they have had with the new club programs or classes. Talk about things that are familiar to you both. Take an arm full of magazines into your cardio area and offer people something to read. While doing so, introduce yourself. Be intuitive. If you sense they are open to a conversation, then open it up. If they are not, that's okay. Encourage them to enjoy the club and holler if they need anything. Then, go on to the next person. SBWA is about building relationships, which build retention and lead to referrals --over several "visits," *not in one conversation*. I want to be very clear that the primary purpose is to build relationships and familiarity, not to seek referral names. Once you have built relationships, it is easier to recognize where referral opportunities are or are not in a comfortable manner. When the opportunity is naturally there, by all means, extend an invitation for the member to bring a friend to the club.

Consider the following goals for SBWA:

- Each rep should be on the floor for fifteen minutes twice per day with the goal of speaking with five members they do know and five members they do not know, the purpose being to create and deepen relationships for *future* sales opportunities.
- Each sales rep needs to keep a record of the people they have spoken with and new members they have met. After no more than four consecutive conversations with these people, the rep will graciously invite that member to bring a guest to the club, either to a class, party or some club event. It is important to note that this invitation may happen on the first conversation. Be intuitive about it.
- Over the course of the month,

each rep should be generating twenty guests (leads) to come into the club. Each club sales manager needs to track the times for each rep to be doing their SBWA as well as the leads being generated.

Resolution #3

Resolve to use all areas of the club. I realize that you, just like your members, may have one or two areas of the club that you utilize for your workout program. But, if your job is to be able to sell the services and programs of the entire club to a prospective member who may be interested in the things that are not included in your own workout and you have not participated in those services or programs, it will be very difficult for you to create any excitement, differentiation or urgency for him to join. If you are a weight room and cardio equipment person, I encourage you to get into the group exercise studio and take a few classes. If you are a group exercise person only, get into the weight room with a trainer and learn a few things for yourself as well as how to answer FAQs from prospective members. If your club has tennis and you are not a tennis player, this is the year for you to learn more about tennis. The benefits of the additional product knowledge will provide you with a higher level of confidence and enthusiasm in your selling process as well as increased sales because you will create more credibility and rapport with your prospects.

Resolution #4

Resolve to spend five hours per week on prospecting activities that build your business. I encourage you to think about building your business in the following ways:

1. Always have a referral activity going on each month, such as Dollars from Day 1©, Passes in Classes©, etc.
2. Always have an alumni invitation out at the beginning of each month to former members.
3. Always have a community outreach activity to generate monthly sales.

4. Always have your corporate/group sales program events in place on a monthly basis.

5. Always have your current lead follow-up activities that create urgency to join in place monthly.

If you are doing all five of these business-building activities regularly, you will be creating an abundance of business and never have a problem hitting your sales goals. Far too many clubs do not train their membership sales staff to be business builders. Most clubs expect the staff to sell, but do not give them the tools to build business; therefore, the staff ends up waiting for business rather than creating the business.

Resolution #5

Resolve to manage your sales business by the numbers. Some clubs have a very good sales reporting system and use it to the advantage of both the club and the sales representative. Some clubs leave a lot of money on the table by not having a sales management report system at all. Sales reports, if used properly, can be very revealing and a tremendous tool to show you what you can do differently to reach a higher level of productivity and success. I also recognize that some clubs use sales reports incorrectly by requiring that sales staff complete the reports, yet the sales manager does nothing with them. When this happens, I notice that reporting from the sales staff is often, shall I say, fictitious. If this is the scenario at your club, that is unfortunate, however, you can still benefit from your sales reports. I encourage you to be diligent about doing your reports daily with your real numbers (no guesses or make-up stuff) so you can reveal to yourself what areas can be improved upon. If you would like a copy of a sales report that reveals this to you, call me at (303) 417 - 0653 and I will send you one. The impact of measuring and tracking your results always has a positive effect on your bottom line. The following are key elements to track daily:

- Incoming calls* to appointments
- Appointment shows
- Appointments closed
- Walk-ins* to walk-ins closed
- Walk-in close ratio



Karen Woodard-Chavez

- 30-day close ratio
- Total calls made
- Total contacts made
- Referrals generated per/sale and day
- Total leads generated per day
- Total revenue generated per hour
- NDR revenue generated.

Resolution #6

Resolve to make the tour about the member, not the club. The only way you can do this is to become proficient at asking the questions that reveal the answers, listening to the answers and utilizing that information on the tour. What questions? What answers?

When you meet the prospective member, you will sit down with them for 3-5 minutes and ask the questions that reveal their reasons for saying yes to joining your club and the possible hesitations about joining your club. As you may know, the "yes" questions reveal their interests (activities they would like to do in the club), needs (outcome or results), motivation (driver behind the need) and sense of urgency (timeframe for results). The "hesitation" questions or objections usually fall into the categories of time, decision-making ability, financial, eagerness or other limitations. Your job here is to reveal all the reasons that would make them say "yes" or possibly hesitate to join so you can work those elements into the tour to customize your time together rather than simply show the club the same way to every person. By making the tour about the person and not the club, your results will be increased excitement on their part, increased

(See Karen Woodard Page 26)



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Best-Selling Author, and Staff Writer for The New Yorker Magazine

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Chip Heath

Best-Selling Author, and Professor of Organizational Behavior, Graduate School of Business, Stanford University

Switch: How to Change Things When

Change is Hard

Friday, March 12 • 9:00am - 10:30am

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Travel and Lodging update

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Kristina Ripatti

10-Year Veteran, Los Angeles Police Department

Tim Pearce

Police Officer, Los Angeles Police Department Gang Unit



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...Karen Woodard

continued from page 24

credibility and rapport for you, increased ability to create differentiation, ability to handle concerns more effectively while on the tour and increased first-time closing rates.

Resolution #7

Resolve to have the courage to confront and the willingness to correct. What does that mean? It refers to taking a moment to acknowledge and act upon those non-verbal messages that you get from a prospective member in the sales process instead of noticing them but feeling too uncomfortable to say anything about them. Those messages are *filled* with opportunity for us to get more information if we simply ask for it. For example, while on tour, if you ask a prospective member a question and you perceive, based on what he has told you, that he will respond enthusiastically, but instead, he is neutral to somewhat negative with his response, then you, rather than feeling awkward about it would simply say: "John, I did not expect that response from you. I was thinking you would be a little more excited about this aspect of the club. Tell me what you are thinking."

By doing so, you will get clarity and know if there is a concern that you need to handle that would allow him to say yes to joining today. The courage to confront and the willingness to correct concept is directly and diplomatically handling concerns. Some feel that it is inappropriate or pushy to ask about a concern and be able to handle it for the prospective member. The reality is that you, in your role as a Membership Representative at your club, are a businessperson, and this is part of the expected business practice. If you feel that this is inappropriate, this is where the concept of the courage to confront and the willingness to correct will help you. Certainly, diplomacy and tact in the process will make everyone feel better about it and will take you very far. Finding the words that create that diplomacy and tact are simple; it is just a matter of playing with it.

Resolution #8

Resolve to do your point-of-sale referral presentation on every sale you make. I realize that some of us are very good at this and some of us are so uncomfortable with this tool because we think it is cheesy. I have a proven method that will give you impressive results and allow to come from the genuine

perspective that you are giving a gift rather than asking for names. This is the "short of the long:"

When you are doing the paperwork for the new member, you will explain that there are some documents that you will take care of for them and there are some documents that he will need to complete. Based on your club requirements, you may have 2-4 documents for him to complete. When he is finished with them, explain to him that you now have a Thank You Gift for them joining. You will place the invitation form before them and explain the following:

"John, as a new member, we would like to thank you for joining the club with our New Member Guest Privilege. This is an invitation that we will extend to three of your friends, family members or colleagues --whomever you would like-- to enjoy the club for three days each, courtesy of you. We will host them for you --there will be no guest fee. This invitation is offered during the first 30 days of your membership, so while I am finishing up your paperwork, go ahead and jot down the names of the people you would like us to send an invitation to, and we will either get them in the post or e-mail them today, whichever you would like us to do."

Ensure the success of this

program with the following points:

1. Come from a *gift* perspective.
2. The new member guest privilege must be different from your everyday guest pass policy.
3. Have a tight guest pass policy.
4. The new member guest privilege is only offered for the first 30 days of the membership.
5. The form does not go home with the member for them to "think about it."

This tool is a no-brainer for increased referrals if done correctly, every time you start a new membership. Think about this: If you are personally selling 30-60 memberships per month, and you present this to everyone of those new members, perhaps only 50% will have you send the invitations to three colleagues. That would be 15-30 x 3 or 45-90 potential leads. Let's say only 50% of those actually used the invitation. That would be 22-45 prospects, and let's say that only 50% of those joined. That would be 11-22 new members every month that you would be generating. Hmmm... That's not

something to just *think* about, but instead, *something to do*. If you have any questions on this one or you would like a copy of the article, "A Refreshed Approach to an Old Tool," call me at (303) 417 - 0653.

When it comes to resolutions, everyone can be successful. It is really a matter of choice to be successful and integrity with your follow through. Any and all of these resolutions will have a huge impact on your sales success, but only if you choose to make them part of your good work habits. *Stellar Sales Success* to you in this year and the years to come.

(Karen is President of Premium Performance Training in Boulder, Colorado and Ixtapa, Mexico. She has owned and operated clubs since 1985 and now consults with and trains club staff throughout the world. She provides her services on-site, online, by phone and through her books, CDs, DVDs and manuals. She can be contacted at 303.417.0653 or karen@karenwoodard.com)

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An NFBA Exhibition: Functional Training

By: Justin Cates

Recently, the **National Fitness Business Alliance (NFBA)** was here in Atlanta for a 2-day event, and I had the opportunity to attend. The event was anchored with an excellent, 2-day seminar by **Thomas Plummer**, and various short breaks and meal breaks during his presentation offered attendees time to mingle with each other as well as companies that showcase their products with the traveling NFBA group. These companies included: American Council on Exercise, ASF International, Association Insurance Group, Body Training Systems, City Blends, dotFIT, Fabiano Designs, Kettlebell Punch Gym, Nunes Apparel, Parisi Speed School, Perform Better, Star Trac, Susan K. Bailey Advertising and Thomas Plummer Company.

After having the opportunity to see Plummer speak at **IHRSA 2009**, in which he previewed the presentation he would be giving at all of NFBA's 2009 dates, I wrote an article in our **April 2009 Edition** entitled, *Are We Remarkable?* In that article, I summarized Plummer's in-depth presentation into a few main points that could be taken and used right away. Additionally, I made the case that some of the things Plummer discussed could make clubs that implement them truly remarkable, using **Seth Godin's** (who also spoke at **IHRSA 2009**) "Purple Cow" example. If you did not get a chance to read this article, it is available online at www.clubinsideronline.com. So today, I will not focus on the seminar portion of the event, but instead, the functional training exhibition that took place prior to the start of the second day.

Throughout his presentation, one of Plummer's main points was that we train our members in the worst way possible. Namely, we give them a quick introduction to a field of equipment, and then, leave them on their own to deliver to themselves the results they are looking for. Later, prior to quitting

their membership, they just end up training in a circle, whether it be on a short, indoor track or a stationary piece of equipment going nowhere with little haste. Instead, he makes the argument that offering dynamic workouts that truly produce results will be worth it to the member, and not only will they pay more money for them because they work and produce results, they will remain members longer and will bring in friends. Though obviously not applicable to every member, this is a win-win-win...

For the workout exhibition, the 60 or so attendees present for the 7AM workout were taken through a dynamic warm-up by **Bill Parisi, Founder of Parisi Speed School**. They were then divided into three training groups, and I followed one group through the 45-minute, 3-station circuit:

Station 1: Bill Parisi



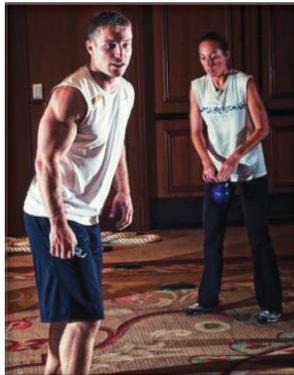
Station One was instructed by **Bill Parisi** and the slogan on his shirt was all anybody needed to know about the morning workout, "*Your daddy didn't train like this.*" After explaining that deceleration is the foundation of being quick, he took the group through several exercises showing this to be true. With each exercise, he explained why they were doing it, creating buy-in, and thus, motivation:

- Squat Jumps x 10 (Focus on landings)
- Quick Steps - 5 Yards On - 5 Yards Off x 2
- Seated Arm Action x 3 (High

Quality with Low-Mid Intensity)

- "Leg Recovery" + Stride x 2
- "Mountain Climbers" x 2
- Full Stride + Breakdown x 4 (Brings it all together)

Station 2: Aaron Moser



Station Two was instructed by **Aaron Moser of Perform Better**. The focus of his workout was the Kettlebell, and he also included exercises with other functional equipment, such as a HUGE rope, elastic bands and sliders. At Parisi's station, I recognized all of the exercises because they were what I used to train for speed in football as a running back and track as a sprinter. With Moser, I recognized the exercises, but it was refreshing to see them presented in other ways, such as with Kettlebells:

Kettlebells (3X Circuit):

- Squats x 10
- Figure 8 x 10
- Curl, Press, Triceps Combo x 10
- Stretch, Squat, Stand Combo x 10.

Rope Exercises:

- Side to Side
- Up and Down
- In Squat
- On Knees
- Walk-ins.

Other Exercises:

- Superband Curls
- Powerslides (like Mountain Climbers)
- Band Pushups
- Slider Runs.

Station 3: Jeff Jones

If members of the group I followed weren't yet blown away (i.e. exhausted) from the

first two stations, Station Three finished the job. **Jeff Jones of Extreme Sports Performance** was the instructor, and he was *intense*. Some believe this could be a turnoff to members. It very well could be depending on a specific facility's typical member, but for many, this could also be very motivating. To see someone get so into what they are doing rubs off, and it can motivate. This was definitely the case with Jones. His workout focused on Plyometric exercises, and he also utilized the TRX Suspension Training system:

Plyometric Exercises:

- Squats x 20
- Stationary Lunges x 20
- Squat Jumps x 20
- Abs (Plank on Elbows and Toes):
 - 1 Leg Up, then switch
 - 1 Arm Out, then switch
 - 1 Leg Up & 1 Arm Up, then switch
- Squats x 20.

TRX Suspension Exercises:

Non-elastic Cord:

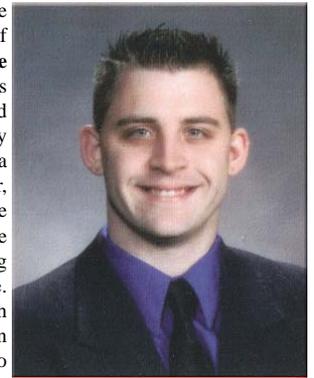
- 45° Pull Ups
- 45° Push Ups.

Elastic Cord:

- Arm Pulls
- Arm Pushes.

Repeat both circuits.

At the conclusion of the 45-minute workout, you could actually hear thuds as bodies hit the floor in exhaustion. These were club owners and trainers alike, and the workout floored some of them, literally. Needless to say, what was presented to them is not what Plummer is advocating offering to members, at least, not all in one sitting. The goal was for attendees to get a taste of as much as possible as quickly as possible, and thus proving, the results from a run around a track



Justin Cates



or twenty minutes on a treadmill won't even get close to the results reaped from the same amount of time being used with a functional training routine.

There are many ways to go about offering functional training, and any combination could be suitable to a particular member's needs. Plummer did not advocate a right or wrong solution, but instead, pushed for awareness. Be aware of the shift to functional training, be aware of the human need for it and be aware of the very favorable revenue models that have been developed utilizing it.

(Justin Cates is the President of **CLUB INSIDER** and grew up in the health, racquet and sports club industry. From the age of eight, he spent his non-school and sports hours in a home which doubled as **CLUB INSIDER Headquarters**. He has lived and breathed this industry for 24 years, since his own day one. Now, he is an integral part of the "Story" of Norm Cates and **CLUB INSIDER**. Justin may be reached at Justin@clubinsideronline.com or by phone at 770-595-6086)

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Programming Tip of the Month: *A New Beginning*

By: Sandy Coffman

The year 2010 is almost here, and it will offer many new opportunities as well as new challenges. We will have special promotions and make promises to many new members anxious to begin a new and healthier lifestyle. The truth of the matter, however, is that before the first quarter of the year comes to an end, the members who eagerly signed on the dotted line will have lost their enthusiasm and quit. In fact, I'm going to suggest that when you examine your attrition rate come March or April, you will find that the majority of members who stopped using your club or canceled their memberships quit *before they ever got started!* Why? Simply because new beginnings are difficult, and intimidated, unknowledgeable or inexperienced people with good intentions are just not going to jump into the big bad club of exercise fanatics on their

own. They will need a *personal invitation to join a program that is easy to enter, fun to do and gives recognition for personal achievement.* They must have fun and feel that success is attainable --immediately.

The following program is an adaptation of the program I offered to those of you who participated in **Clubs for the Cure's 12 Days of Fitness for Augie's Quest.** Please refer to the entire story in last month's **CLUB INSIDER** (Available at www.clubinsideronline.com).

Every club will enjoy running this program as much as the members will enjoy participating in it. Most importantly, it will get your new members started --immediately! Whether you are a large multipurpose facility, or a small club with few amenities, this program can be successful for you. By the end of the first quarter of 2010 you will see an increase in growth and will celebrate your retention rate rather than mourn

your attrition rate. This program will get your members started, and they will keep coming back for more. It's easy. It's fun. It's...

12 Days To Fitness

The fitness center is the focal point of every facility. The cardio equipment is the most popular among new members. This program is *easy to begin and easy to finish...* A double Whammy!

Description:

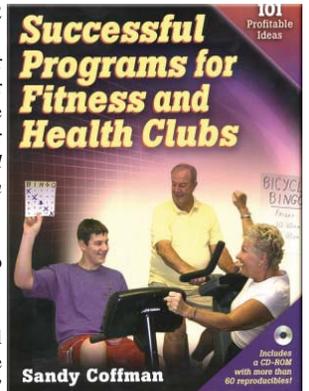
- The program will run for 12 days.
- Your club will choose two or more fitness staff to be team captains. Each team should have 12 participants.
- All participants must complete 12 workouts, 12 minutes in length in 12 days (Limit of three 12-minute workouts per day).
- Eligible workouts include 12 minutes on a bike, 12 minutes on a treadmill or 12 minutes on a cross trainer, EFX or stair climber.
- Each workout (12 in all) must

be recorded to complete the 12 Days To Fitness.

•Each captain is responsible for making sure that each of their team members completes the 12 workouts (See the chapter on *Accountability in Successful Programs for Fitness and Health Clubs: 101 Profitable Ideas*).

Tips for Success and Points to Consider:

- Have each team listed on a wall chart with the captain's name at the top, the 12 participants' names and 12 spaces after each participant for recording the workouts.
- Snapshots of the participants can be placed around the tracking board.
- A 12 Days To Fitness Circuit Workout can include 12 minutes on each piece of cardio equipment for a total of three 12-minute workouts.



- An entry fee may or may not be required, but a celebration at the end of the 12 days is a must.
- Make It Fun!

(Sandy Coffman is the "Dean of Club Programming.") Go to www.humankinetics.com or contact Sandy at SLCoffman@aol.com or visit www.sandycoffman.com

View Sandy's Author Profile at
www.clubinsideronline.com

Norm Cates' **CLUB INSIDER** The "Pulse" of the Health, Racquet, and Sports Club Industry Worldwide Established 1993

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Very Sincerely,

Norm Cates, Jr.



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"I have never seen anything else in the industry have such a high impact on guest traffic, member retention, member satisfaction and profits. With BTS we've increased monthly group participation from 800 visits to 6,000 visits, added over 2,600 new members increased retention from 50% to 73% and increased profits by over 400%!"



John Bonica
Co-Owner, Global Fitness Centers

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



Stephen S. Roma
Owner, WOW! Work Out World

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Mike Silva
Owner, The Edge

"BTS is the single best investment I have ever made, not only in Group Fitness, but also for my club as a whole. It services our members, sells memberships, markets our club and motivates our members and staff, including me! BTS has enabled me to increase my membership price from \$30 to \$49 per month, and we no longer compete on price."



Jason West
Owner, Gold's Gym Elite

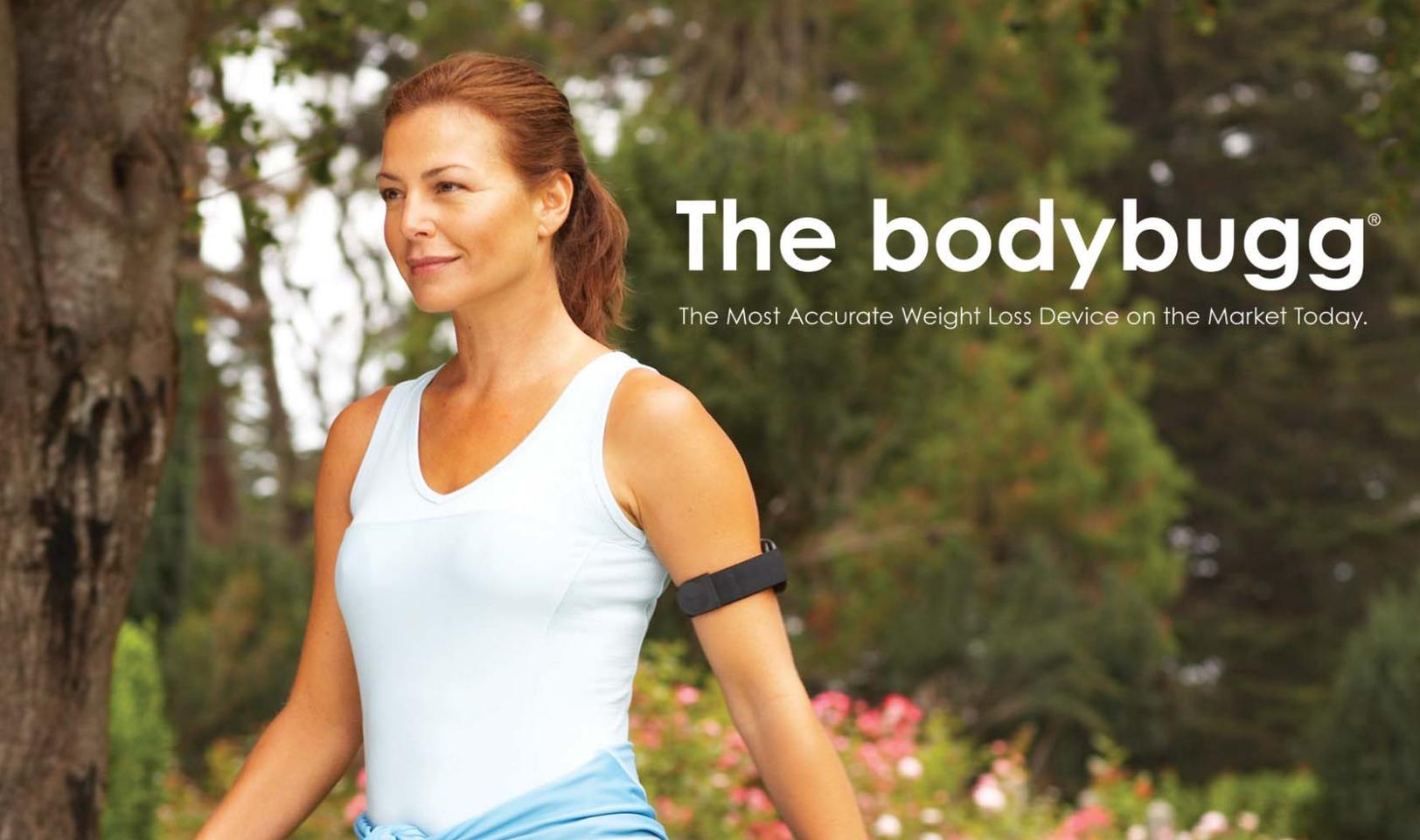
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