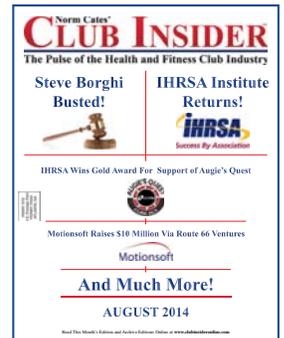
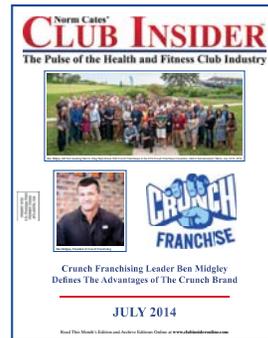
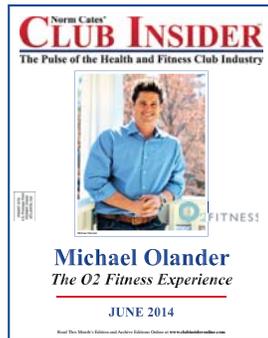
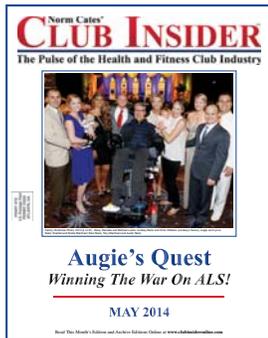
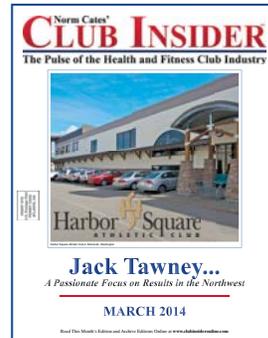
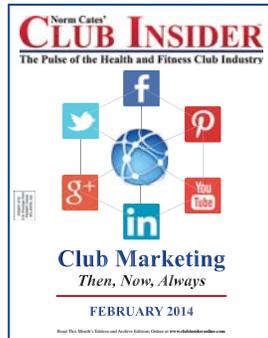
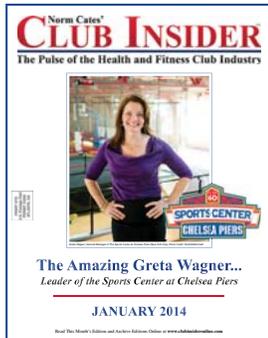
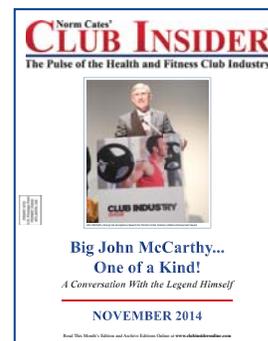
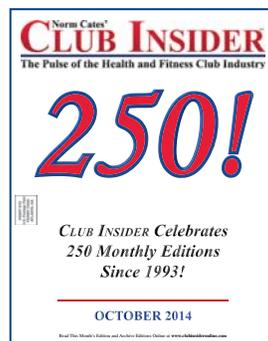


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The Pulse of the Health and Fitness Club Industry



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“2014 In Review”

DECEMBER 2014

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Norm Cates' CLUB INSIDER™

The Pulse of the Health and Fitness Club Industry

“2014 In Review”

By: Justin Cates

Just as the leftovers from this year's Thanksgiving feast are running low, we are gearing up for the holiday season and even more feasting. With all these delicious temptations on the table, it is hard for even the most disciplined to keep fully fit and trim this time of year! But, before we give ourselves more reasons to get those extra workouts in, let's close out the year with CLUB INSIDER'S "2014 In Review!"

As always, 2014 was an exciting year with a lot happening in our industry and the public continuing to better understand our industry's mission of being a key resource for them in their quest to be healthy and active. Like those seeking to do well with their bodies, we have strived to help owners and operators of health and fitness clubs to do well for their mind and business. This year, we shared some great cover stories that, if studied, can help your club business grow and become better. Our Contributing Authors provided more tools for your toolbox with a lineup of Best Practices articles that was hard to beat! And, of course, we continued to share industry news as it happened with both published press releases and volumes of Norm's Notes.

Our Mission is "To help the owners and operators of health, racquet and sports clubs professionalize their clubs and gain the trust and business of their community." We hope you have found value in this year's CLUB INSIDER editions and that this month's article offerings will add to your knowledge and expertise heading into the New Year.

A Summary of Our 2014 Cover Stories

We began the year with a cover story on **Greta Wagner** and the **Sports**

Center at Chelsea Piers in New York City, New York. This incredible complex is one of the great stories that illustrate the resilience of the American people, especially New Yorkers, following 9/11 and Hurricane Sandy.

Our February edition featured a cover story by this author about a topic I truly love: **Marketing**. In this feature, a brief history of the evolution of marketing was given, as well as a step-by-step guide to getting started with social media and other modern marketing mediums. It also included interviews with several industry experts on the subject, including: **Mike Grondahl, Derek Barton, Casey Conrad, Bill McBride, Terry W. Browning, Sherry Robb, Tracey Bourdon** and **Nancy Trent**.

In our March edition, we featured **Jack Tawney's Passionate Focus on Results in the Northwest** with the **Harbor Square Athletic Club** in Edmonds, Washington, as well as **Peak Health and Wellness** locations in Idaho, Montana, Washington and Wyoming. Passion and focus are two critical precursors of success, and this story illustrates their importance in any business.

Visual Fitness Planner's 4th Annual IHRSA Seminar was the subject

of our April cover story because of the vast wealth of information contributed by the all-star panel, which included: **Bill McBride, David Patchell-Evans, Brent Darden, Maria Parrella-Turco** and **J.P. Green**, moderated by **Daron Allen**.

A story of inspiration was the subject of our May edition with an update on **Augie's Quest**, which is now **Winning The War On ALS!** Almost, ten years ago, industry pioneer and legend, **Augie Nieto**, was diagnosed with ALS. Since that time, **Augie** and his incredible wife, **Lynne**, have created an organization that is showing more promise than ever at finding a cure for the disease. Illustrating this incredible progress, **Augie** walked across the stage at the 2014 Bash for **Augie's Quest**, and later in the year, on July 5th, he walked his daughter down the aisle on her wedding day! If you ever have a day where you feel you can't do something, give this story a read and you will feel you can accomplish anything!

The fast-growing **O2 Fitness** chain and **Michael Olander** were the subjects of our June cover story. In this feature, there were some great lessons about business adaptation to economic conditions, branding and the importance of



Justin Cates, Assistant Publisher of CLUB INSIDER

every staff member on a payroll.

In July, we caught up with **Ben Midgley**, who **Defined the Advantages of The Crunch Brand**. Having ups and downs since its beginning, **Ben** has brought **Crunch** back to prominence and continues to improve the high-energy and well thought-out **Crunch** concept.

Our September edition featured **VillaSport**, a growing chain in Colorado, Texas and Oregon. In an illuminating interview, **Laurie Smith** described how they live up to their brand statement, "the only place where fitness, family and community all come together," everyday.

The October edition of CLUB INSIDER was a very special one as it marked our **250th Edition!** For those who do not know our publication's history and its reason for being, we explained it in great depth, as well as outlined plans for the future to continue to serve this great industry (See **Improvements to CLUB INSIDER on Page #10**).

Closing out our 2014 cover story calendar, our November edition featured **Big John McCarthy** in honor of his (See "2014 In Review" Page 10)



Inside The Insider

- A Club Insider Flashback - Part III - **By:** Norm Cates
- Strategic Moves for Success in 2015 - **By:** Deneen Laprade
- Sales Preparation For The New Year - **By:** Casey Conrad
- Three Tools to Increase Results, Retention and Non-Dues Revenue Programming - **By:** Karen Woodard-Chavez
- Energize Member Sales and Retention With a Money Back Guarantee - **By:** Joe Imbrogno
- Take Charge: Building a Credible Referral Network - **By:** Robin Schuette
- Cutting The Fat On Cancer - **By:** Helen Durkin, IHRSA VP of Public Policy
- So, You Want to Bring in a Private Equity Partner? - **By:** Mike Manning
- Breathe New Life Into Your Current Programs - **By:** Laurie Cingle
- Insiders Speak About John McCarthy - **Featuring:** Dick Trant and Augie Nieto
- Growing A Fitness Club, 24/7 - **By:** Jim Thomas
- And of Course, *Norm's Notes*



Norm's Notes



•**Hello Everybody!** This is your **CLUB INSIDER Publisher Since 1993** checking in with our **252nd monthly edition!** We wish you all the very best **Happy-Healthy Holidays** and a **fantastic and profitable New Year!**

•This Norm's Note is the *saddest thing* I write every year! It's remembering our friends and family members in the industry who we've lost during the past year. So, please take this moment to **remember and say a little prayer** for those who've left us during 2014: **HENRY POLESSKY** passed on January 9th, 2014. **HOLLY CARRO**, passed in Florida. She was the daughter of retired club business veteran, Dean Kachel. **LARRY SCOTT** passed away on March 8th and **GREG ROWE** passed on March 25th. **May Henry, Holly, Larry and Greg all Rest In Peace!**

•**AUGIE'S QUEST** has been an amazing phenomenon that has been truly fantastic to help and be a small part of. Led by **AUGIE and LYNNE NIETO**, a couple that for ten years now has defied time and medicine by their efforts to find a cure, prevention of and therapies to treat **ALS, a/k/a LOU GEHRIG'S DISEASE**. **JOHN McCARTHY** sent me a video link with Augie and Lynne's daughter **LINDSAY's July 5th Wedding** to **CHRIS WILLIAMS**. Go to: <http://cbsloc.al/1zLqRjI>, and

check the video out. I can only say this about the beautiful video and that is, **IF** you view this video and do not find tears in your eyes, then I'll be very surprised. **Augie and Lynne are NOT going to quit! We, as an Industry, are NOT going to quit. ALS will be defeated some day... it's no longer a question of IF, it's now a matter of WHEN ALS will be defeated.** The **10th Anniversary Augie's Quest Bash** will again be hosted by **IHRSA** on Friday evening, **March 13th, the last night of the IHRSA 2015 Convention**. Please make plans right now to **BE THERE!**

•**Speaking of IHRSA and Augie's Quest**, it was great reading **CBI Magazine's December, 2014 Edition** about "**The 'Power of A' (Association) Gold Award**" given by **ASAE (The American Society of Association Executives)** to **IHRSA** for its strong and ongoing support of **Augie's Bash**. **IHRSA** was one of only 23 picked from a pool of 100 applications to receive the award this year. "I'm honored and humbled to accept this award on behalf of all of **IHRSA's** Members and Associate Members, the people who really make **Augie's BASH** a success every year," said **JOE MOORE, President and CEO of IHRSA**. "It makes me proud of our industry and shines a deserving light on our undeniable desire to do good."

•**I ran out of time last month and failed**

to cover one of the other special events that the **Penton's Club Industry Show** folks put together. So, let me cover it now. The special event was a fish bowl drawing for **two mentorship award winners** that happened during the **Top 100 Clubs reception**. **DAWN ANDERSON, Co-Owner of Sand and Steel Fitness in Alexandria, Virginia**, won a mentorship with **JOE CIRULLI, Owner of Gainesville Health and Fitness Centers in Gainesville, Florida**. As part of that mentorship, Anderson will visit Cirulli's clubs in Gainesville, Florida. **KENT STEVENS, Executive Vice President of Commercial Sales for Matrix Fitness**, which is a sponsor of the event, and **Joe Cirulli** greeted the drawing winners. Dawn's partner, **PAUL ROBERTS** was also present. The other **Mentorship Winner** was **PHIL DONNELLY, Director of Membership and Registration at Asphalt Green Fitness in New York City**. Donnelly won a mentorship with **JIM WORTHINGTON, Owner of Newtown Athletic Club in Newtown, Pennsylvania**. Worthington had a banner year in 2014 with the completion of a large new outdoor pool complex and last year with the **opening of a sports training center**. Even though Donnelly doesn't have far to travel to see Worthington's club, his travel expenses are being picked up by **MyZone**, another sponsor of the event. **This was a great idea and presentation by Penton's**



Norm Cates, Founder and Publisher

Club Industry folks.

•**Orangetheory Fitness'** growth continues with one of their newest locations opening in **Altamonte Springs, Florida**. With over 140 locations now, Orangetheory Fitness is introducing their new studio design package. "Altamonte is the 5th Orangetheory location in Florida and is one of the first Orangetheory studios to roll out its brand new studio design package, which was several months in development and is both aesthetically and functionally incredible," said **DAVE LONG, Chief Executive Officer of Orangetheory Fitness and Owner of the Altamonte** (See Norm's Notes Page 7)

About Club Insider

Established in 1993

22 Years and Counting!

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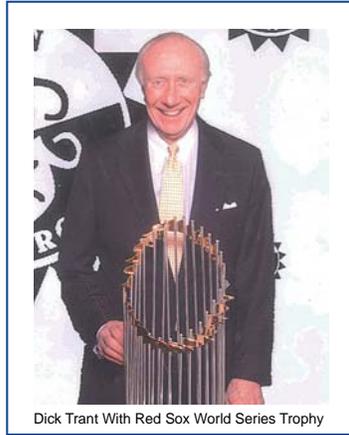


Insiders Speak About John McCarthy

Publisher's Note: Last month, we presented comments from seven industry veterans about John McCarthy that appeared with his special Cover Story, celebrating **Penton's Club Industry Lifetime Achievement Award** presented to John on October 23rd in Chicago.

The following comments from Dick Trant and Augie Nieto were received after our November deadline:

Dick Trant, who served the industry as Founder and Director of The New England Racquet Sports Association (NERSA) and as Director and Treasurer of the National Tennis Association (NTA) commented:



Dick Trant With Red Sox World Series Trophy

"Some 40 years ago, I gathered the Founder and Directors of NERSA in my hotel room at the NTA convention at the Doral Resort and Convention Center in Florida and asked each one to loan our organization \$5,000 to fund the hiring of John McCarthy as our first Executive Director. The late Dale Dibble, Todd Pulis, Lloyd Gainsboro, Nick Cotsidas, and the late Tim Richards, to their everlasting credit, went all in with their commitments

of money and time.

In retrospect, we all made history that day as John, with few resources other than his own talents, boundless energy and unfailingly goodwill toward all, over several years, grew NERSA into a 45-club cohesive and effective regional trade organization, paid off all the Director's loans and became our choice to be Founding Executive Director of IHRSA, our national organization. Under

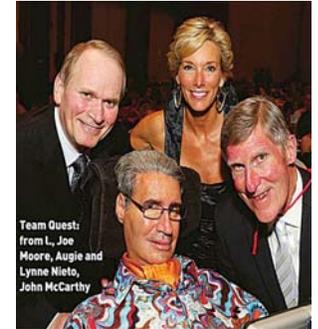
John's leadership of IHRSA for 25 years, 45 regional clubs became 9,500 domestic and international clubs, with annual revenue of \$18,000,000 and a very enviable record of success.

John was, and is today, a renaissance man who was uniquely qualified as the right man at the right time to lead IHRSA for 25 years. He was, and is, a great humanist and sportsman, a philosopher and basketball All American, who found the good and positive in everyone he met. And, constantly being in the field, visiting clubs, John met almost everyone in our industry.

It has been an honor and a privilege to know John McCarthy as a close friend and colleague, in the trenches, on the playing fields, and in the concert halls, for more than 50 years."

Augie Nieto commented:

"Asking John McCarthy to be the Chairman of our BASH event may be the single best decision we've made at Augie's Quest thus far. For the past ten years, John has spent countless hours recruiting supporters for the event and I know for a fact that we



Team Quest (L to R): Joe Moore, Augie Nieto and John McCarthy (photo reprinted courtesy of CBI Magazine)

wouldn't have raised over \$44 million dollars to date without John at our side! I've never met someone so universally well-liked and respected in their industry... John is one in a million, and we count our blessings each day that we get to work with him. Augie's Quest is forever indebted to John for his leadership and dedication to helping us find a cure for ALS."

A CLUB INSIDER Flashback

By: Norm Cates

Part III

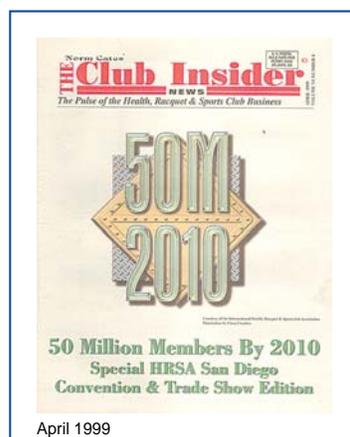
CLUB INSIDER published **Parts I and II** of this **Flashback In Time Series** in our **October and November Editions** to celebrate CLUB INSIDER's **250th Monthly Edition** (our October edition). This writing will review several years. I've decided to take my time and do a few years every month until we've *Flashed Back* in time and reviewed all past editions. So, here we go!

1999

•Our **January Cover Story** featured **JUDI SHEPPARD-MISSETT**, a lovely lady who is the **Founder of Jazzercise**.

•The **March Cover** featured **LOU OFF, DOUG LEVINE, Founder of Crunch Fitness** and **JERRY ALLES** with the headline: **Crunch Acquires Sportslife** (in Atlanta).

•Our **May Edition** touted the lovely **JILL STEVENS KINNEY...** as **America's #1 Female Club Entrepreneur**. And, Jill is



still going strong having recently partnered with **BILL McBRIDE** to create the **Active Sports Clubs** group based in California.

•Our **June Cover Story** was entitled: **BAHRAM AKRADI... Living the American Dream** and the storyline was about the extraordinary talent that Bahram Akradi had become after being a dishwasher at **age 17** and coming to **America** to become a multi-millionaire, now with over **100 of the 100,000+**

square-foot, world class Lifetime Fitness Clubs coast to coast.

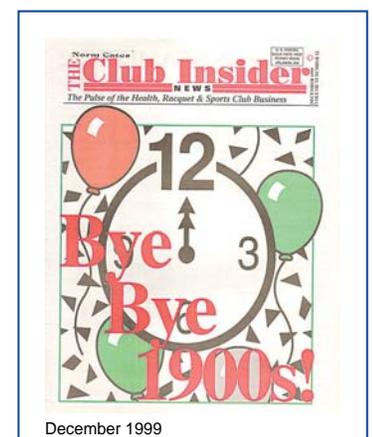
•Our **July Cover Story** featured industry veteran and leader, **GORDON JOHNSON**, and a group of **Gold's Gym** owners.

•Our **August Cover Story** featured **Canada's MICHAEL LEVY** and **JAY KELL** after they had sold their **Sports Clubs of Canada** to **Bally Total Fitness**.

•In **September**, we featured **KIRK** and **JOHN GALIANI**, along with partners, **ED CONNORS** and **JEFF SKEEN**, after their group had acquired **Gold's Gym International**. Kirk and John are cooking now with their new **One Life chain** recently acquiring **Sport&Health in the Metro Washington, D.C. area**.

•Our **October Cover** featured the health and fitness club industry's **Best Friend, RICK CARO**. I could write a million words about Rick and still not cover all of the good he's done for our industry.

•Our **November Cover** featured the always successful **TONY deLEEDE** before he



sold his **22-club Australian Body Works chain** to **LA Fitness**.

•Covers in 1999 without photographs included: **February** with headline reading: **Bally Total Fitness Then and Now**; **April** with headline reading: **50 Million Members by 2010** and sharing **JOHN MCCARTHY's plan to push the industry toward 50 million members**; and **December** with headline reading: **Bye** (See *C.I. Flashback Page 19*)

...Norm's Notes

continued from page 4

Springs studio. "There's a completely new look to the lobby and retail stand, and we've placed updated logo graphics throughout the studio. It reflects the evolution of our brand and is the realization of major studio enhancements we've announced over the past year. For a studio like Altamonte, which is one of our smaller locations, the positive impact on the member experience will be immediately felt." Stay tuned, folks and check out the **Orangetheory Ad on This Page.**

•**MARIA PARELLA-TURCO** is rolling along with **HONOR YOGA**, now with five locations opened so far. The most recent was in **Pennington, New Jersey**, and one in **Millstone, New Jersey** is slated to open in **January**. Honor Yoga's other locations are in **Hamilton, Manalapan, Bordentown and Mansfield, New Jersey**. Maria is also a principal in **New Paradigm Partners Consulting**, which regularly produces Webinars on a variety of disciplines, and she is also a principal in **FitRewards**. Check our **Maria's FitRewards Ad on Page #14.**

•**TOM HUNT** tells me **IHRSA's 2015 Trade Show Exhibitors** are lining up fast for the **March 12th and 13th Trade**

Show, with the **Convention** starting in **Los Angeles on March 11, 2014** and running through **Saturday, March, 14th. The 10th Annual Bash for Augie's Quest** to help **AUGIE and LYNNE NIETO** raise money to help find the **Cure for ALS** will be held on **Friday Night, March 13th, 2015.** The **IHRSA Convention and Trade Show** is an absolute **MUST** for people from around the world who're making their living in our great industry, and if you're not already booked to be there, **please BOOK IT now!** As I've written in the past, folks: **Book IT! Book IT! Book IT!** Check out **IHRSA's Ad on Page #23.** Also, check out our list of **CLUB INSIDER Advertisers** who've already signed up to exhibit at **IHRSA 2015.**

CLUB INSIDER Advertisers Exhibiting at IHRSA 2015

Company	Exhibit #
Club Insider	#2512
Gym Wipes by 2XL Corporation	#2328
iGo Figure	#930
Iron Grip Barbell Company	#1023
Jonas Fitness	#2045
Motionsoft	#1017
Visual Fitness Planner	#2514

•It was a pleasure earlier this year seeing my long-time friend from **Canada, JACK DENNISON**, at **IHRSA 2014** in **San**

Diego. Jack has a *mega 200,000 square-foot* club called **The Cedar Springs Health, Racquet and Sports Club.** He's owned and operated the club for many years in **Burlington, Ontario, Canada**, and it is now for sale. Jack provided me with his email address so you can contact him directly if you're a prospective buyer. The club has been appraised at **\$16 Million**, and Jack's asking price is **\$10 million.** Jack tells me that what he's looking for is a new owner that can make the club an even better place for his fabulous long-term team of employees, as well as for his phenomenally loyal long-term membership base. **Jack is one of the best club owner operators you will find**, and he's a former **IHRSA Board Member.** If you take a look at the photos on his club's website, you'll see what a mega-club his Cedar Springs Club actually is. You can reach Jack at **jack.dennison@burlington.ca**, or to learn more about **The Cedar Springs Health Racquet and Sports Club**, go to **www.cedarspringsclub.ca.**

•**BRIAN O'DONNELL** informed me that the **Tennis Industry Association (TIA)** will be holding the **2015 TIA Tennis Summit on March 17th and 18th, 2015** and the **Tennis Owners and Managers (T.O.M.) Conference on March 18th and 19th, 2015**, with both events at the **Westin Mission Hills Golf Resort &**

Spa in Indian Wells, California. **Tennis Industry veteran** and longtime **CLUB INSIDER Subscriber, DOUG CASH**, is the **T.O.M. Conference Advisory Team leader.** **GREG MASON** is the **TIA President** and **JOLYN De BOER** is the **Executive Director.** Any correspondence should be directed to **O'Donnell** at **brian@tennisindustry.org** or **(843) 473 - 4504.** The websites for each of the events are **www.TheTOMConference.com** and **www.TennisSummit.com.**

•**The world of upscale sports and fitness clubs** has been led over the years by industry giants, such as **JIM GERBER** and his **Western Athletic Clubs**, setting a standard many envy and seek to emulate. A few years ago, Jim sold his clubs to **KSL Capital Partners**, a private equity firm specializing in travel and leisure investments. **KSL** changed the name to **The Bay Club Company.** They then sold the company to **York Capital, Inc.** And, in late October, they announced a *move into golf* with the acquisition of **The Stone Tree Golf Club in Novato, California.** The **Bay Club Company** recently completed a successful brand realignment to move more deeply into the hospitality industry and position itself for expansion, a move that culminated in the management team partnering with **York Capital Management** to purchase the company in **June** of this year. The transaction marks the first in a series of acquisitions they've planned to transform traditional golf courses into modernized country clubs with a blend of hospitality, sports and recreational offerings that capitalize on changing consumer demands. This move is intended to take advantage of a current situation in California where golf has lost its luster a little bit, making golf-focused real estate more available. The company is led by **CEO MATTHEW STEVENS.**

"This is just the beginning. We have identified and are in active conversations with several attractive acquisition candidates (including golf clubs) across California, which would complement our **East Bay, Los Gatos, Redwood Shores and San Diego** campuses," explained **Matthew Stevens.** "We are creating *resorts without room keys* that *focus on four categories: Fitness, Sports and Recreation, Family and Kids, and Hospitality.* With this acquisition, **Bay Club** strengthens its position as the market leader at providing the best member experience across these categories."

The **Bay Club Company** has also announced *two key new hires* to further *enrich its offering* at **Bay Club StoneTree.** **Bay Area** hospitality veteran **DAVID EZZO**, formerly **Director of Operations** at **Cavallo Point Lodge** in **Sausalito**, has been named **Vice President** and **General Manager** of **Bay Club StoneTree.** **LEANNE KAMEKONA** has been named **Executive Chef** and **Vice President** of

(See Norm's Notes Page 8)

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...Norm's Notes

continued from page 7

Food and Beverage. She brings with her a career spanning 20 years as a chef at luxury resorts in California and Hawaii, including The La Quinta Resort & Club, Rancho Las Palmas Resort & Spa, and most recently, St. Regis Princeville Resort. Best to DAVID and LEANNE in their new roles! Stay tuned, folks!

•Speaking of the world of golf... I've learned from my long-time friend, SANDY COFFMAN, that industry veteran REID HANS is having great success at the

GreatLIFE Woodlake Athletic Club in Sioux Falls, South Dakota, where he serves as General Manager. The Great LIFE portion of the club name stems from a special program that Reid and others have aligned their clubs with, providing their club members with golf access at 15 different golf clubs for the low monthly cost of just \$49.95 for access to all of them... clearly a great value for golfers. Stay tuned, folks as we're planning to reach out to Reid for more information on their GreatLIFE program and how it works.

•It's really great to learn that industry veterans, MARK SMITH and FRANK

NAPOLITANO, the CEO and President of 24 Hour Fitness, are acquiring 32 Bally Total Fitness locations in New York, New Jersey, Denver, Colorado and the San Francisco Bay Area. Rolling the clock back 20 years, you will find a very nasty history of Bally Total Fitness that truly stinks and was a big part of giving our health club industry nationwide a bad rap because of the things they pulled in their clubs, and often, the low quality people they'd hire to work in their gyms. HOORAY about this acquisition, which will be one more step toward saying GOOD RIDDANCE to the entire USA of the Bally Total Fitness brand forever. The sooner this is done, and the Bally Total Fitness signs are down all across this country, the better off our entire industry will be.

I know there are nice, legitimate folks operating Bally Total Fitness now, but this writing is not about them. Folks, if you're a new CLUB INSIDER reader, you may wonder why I'm going ballistic bananas here writing about how our industry's reputation was damaged years ago by Bally Total Fitness. Try this on for size... If you missed our 1990s coverage of the "old" Bally Total Fitness era, here's an excellent example of what I'm talking about. When Bally Total Fitness moved into the Boston area and began their pre-sales operations in the mid 1990s, they rang up a total of over 1,500 violations of the State Laws BEFORE they EVER EVEN OPENED their first location in Boston! That's right... Bally received over 1,500 Consumer Affairs Citations BEFORE they ever even opened one location in Boston! CLUB INSIDER was on this story like a dog on a porkchop, and we chronicled these issues over and over as time went by. If you missed it all, but you would like to read what we published in our fight to stop Bally Total Fitness from damaging the reputations of every health club in America, you can find it all in our Archive Library at www.clubinsideronline.com/archives. For example, our January, 1994 Headline read: Massachusetts Booting Bally! And, our October, 1994 Cover featured a cartoon depicting a Massachusetts State Court Room with a guy in a suit kicking a guy in a t-shirt in the butt. The t-shirt had Bally Health Clubs on the back. So, to close this Note, kudos to Smith and Napolitano, for helping our industry finally rid America of a brand that did a lot of harm to the reputation of our great industry. Again... Hooray!

•NANCY TRENT, one of our Contributing Authors, informed me that one of her clients, BODY GLIDE, a leading brand of anti-friction athletic balms for fitness and everyday life, has announced the selection of RYAN BODLAENDER as their new Sales Manager. Best of luck Ryan!

•YMCAs of America operate 24/7 with more than a 30% operating cost advantage

over their commercial health and fitness club competition, a fact that's been stuck in the craw of thousands of us veteran club people over the years. So, can anybody tell me how a YMCA in Milwaukee, Wisconsin has found it necessary to file for Bankruptcy!? The truth be told, the YMCAs of America have long been using a "front" called "helping youth and the underprivileged" in America to have a place to go as the reason for not having to pay taxes, and they have gotten away with it for over 160 years! What BS! You can go to the parking lots of any YMCA on the Northside of Atlanta, and you'll hardly find anything but BMWs, MERCEDES and CADILLACS! So folks, I want to reach out to all of you to ask you to keep a lookout for YMCAs in your areas filing for bankruptcy, because now, in addition to lies, lies, lies, the YMCAs of America are using Federal Bankruptcy Laws to gain an EVEN GREATER advantage over all of you "For Profit" tax paying commercial health and fitness club operators. I'm going to make getting this unfair, unlevel playing field finally leveled an item on my Bucket List! But, I need your help with reports from your territory about how the YMCAs in your area take advantage of their "front," their "falsehoods," and now, gaining a greater edge by using Federal Bankruptcy Laws. Stay tuned, folks!

•JOYCE FREEMAN recently sold her Gold's Gym in Camp Hill, Pennsylvania to JIM and DIANNE CZUPIL. The Czupil's already owned one Gold's Gym in Linglestown, PA., so this acquisition now makes two in their growing Gold's Gym organization. Best of luck to Jim and Dianne with their gyms. And, Thanks to Gold's Gym Association's GINGER COLLINS for sharing this info with us.

•Just one more thing! Last month, I'm not sure how I did it but I made two typo errors on the Augie's Quest Bash Committee List presented in JOHN MCCARTHY's Cover Story. Suffice it to say, I'd like to apologize to my two friends, GALE LANDERS and BILL McBRIDE, for these errors. These are two great friends, and it embarrasses me to have allowed this to happen, and then not catch it in my final edits! It's not like me! My BAD guys! I'm very sorry.

•To close out this year, I want to express my Sincere Thanks and Appreciation to the following for making CLUB INSIDER possible:

1. Our Readers - Thank you all because without YOU, it would be very quiet and lonely around here! You all make CLUB INSIDER happen! PERIOD. Thanks again!

2. Our Advertisers - The great companies who advertise with us deserve all the credit for CLUB INSIDER production, and (See Norm's Notes Page 27)

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...“2014 In Review”

continued from page 3

Lifetime Achievement Award, presented by *Penton's Club Industry*. John's story is incredible, and it is still being written. Our industry has a lot to thank him for, so the next time you see him, be sure to say, "Thanks John!"

The Evolution Of and Improvements to CLUB INSIDER

In a special 3-part "Insider Speaks" article series entitled, **The Evolution of CLUB INSIDER**, we announced several key thrusts aimed at improving CLUB INSIDER in the years to come. Some of these have already been completed, and others are now on the near horizon. They include:

- The CLUB INSIDER Archive Library containing all 252 past edition published since 1993 (*Launched*);
- A New \$10 Monthly Subscription Option (*Launched*);
- The CLUB INSIDER App (*Launched*);
- CLUB INSIDER eBooks (*Launching January, 2015*);
- CLUB INSIDER Radio (*Launching 1Q15*);
- CLUB INSIDER Weekly (*Launching April 1, 2015*).

We look forward to completing these initiatives, as they will help us better serve you, and thus, our industry as a whole!

Thank You All!

Before moving on, we must take a moment to thank those that make it possible for us to publish CLUB INSIDER each and every month.

First, we'd like to thank all of our authors this year, as they took time out of their busy schedules to share a great mix of informative articles across a vast array of topics. Beyond our monthly cover stories and news coverage with both press releases and Norm's Notes, we try to bring Best Practices to you from the trenches. **Our authors this year included:** Ashley Varol, Bill McBride, Bruce Carter, Casey Conrad, Chris Werte, Deneen Laprade, Dennie Noecker, Derek Barton, Donna Krech, Dr. Art Curtis, Erik Berkman, Hossein Noshirvani, Jason Reinhardt, Jim Thomas, Joe Imbrogno, Joe Moore, Karen Jashinsky, Karen-Woodard-Chavez, Laurie Cingle, Lilly Prince, Lisa Coors, Maria Parrella-Turco, Mark Williamson, Nancy Trent, Rebecca Knight, Rick Caro, Robin Schuette, Ron Alterio, Stephen Tharrett and Will Phillips. *Thank you to all of these authors!*

Next, we'd also like to thank all of the companies that advertised with us this year because we could not have come to you each month without their support. **Our advertisers this year included:**

Affiliated Acceptance Corporation, Athletic Business Conference & Expo, Bash for Augie's Quest, Club Industry Magazine and Trade Show, Crunch Franchising, Fitness Management & Consulting, fitRewards!, GymPoints, Gym Wipes by 2XL Corporation, iGo Figure, IHRSA, Iron Grip Barbell Company, JLR Associates, Jonas Fitness, LA Fitness, Mike Grondahl's ALS Fundraising, MOSSA, Motionsoft, National Gym Supply, New Paradigm Partners, Orangetheory Fitness, Planet Fitness, Roundtables for Executives, Sports & Fitness Insurance, Susan K. Bailey Marketing & Design, The Step Company, Thin&Healthy's Total Solution and Visual Fitness Planner. *Thank you to all of these advertisers!*

We would also like to thank you, our readers, for your support. The labor of love called CLUB INSIDER *always has you in mind*, and *we hope it shows*. Last, but certainly not least, we want to say **Thank You** to our printer, Walton Press, a **fantastic** 114-year old company in Monroe, Georgia for all of the great work they've done on every edition of CLUB INSIDER since 1993.

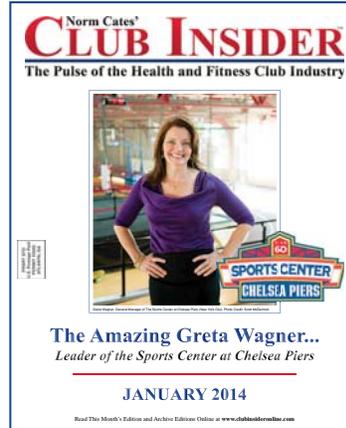
A Note About Subscriptions

Before we move forward with "2014 In Review," let me mention our **Paid Subscription** options. Some of you reading this are doing so on a *complimentary basis* with a promotional copy of our printed edition. If the words "**PROMOTIONAL COPY**" appear above your address on the front cover, you are *not* reaping the full benefit of a **Paid Subscription** to CLUB INSIDER. One thing to think about when considering a subscription investment to CLUB INSIDER is that for just **\$89**, you will receive **one year** of printed and online editions *plus* online access to all 252 editions of CLUB INSIDER ever published! Or, for **\$149**, you will receive **two years** of printed and online editions *plus* online access to all 252 editions of CLUB INSIDER ever published! Or, you can now take advantage of our **\$10** monthly option. To subscribe, go to www.clubinsideronline.com/subscribe.

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And Now, "2014 In Review"

January 2014



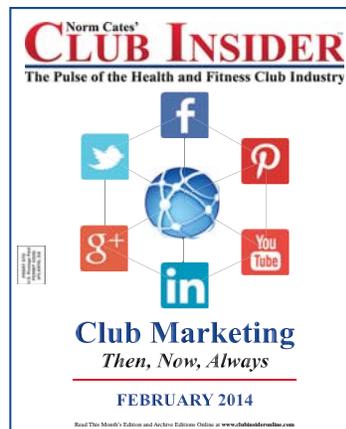
Front Page Article Headlines

- Henry Polesky - February 28, 1940 - January 9, 2014

Inside the Insider

•"Insider Speaks" - The Call for Professionalism - **By:** Lisa Coors •The Unsolved Problem in Our Industry - **By:** Will Phillips •To Draft Or Not To Draft? It Really Shouldn't Be A Question Anymore! - **By:** Ron Alterio •PR101: Get Your Marketing In Shape - **By:** Nancy Trent •How We Make A Difference In People's Lives - **By:** Jason Reinhardt •Programming For The "Fun Of It!" - Success Template for Creating Profitable Programs - **By:** Laurie Cingle •LA Fitness Rolling Along As It Acquires Two More Club Groups •Donna Krech Honored With Quilly Award •Bill McBride Teams Up With Jill Kinney to Launch a New Health Club Brand: Active Sports Clubs •Microsoft Corporation's Xbox Fitness Rings The NASDAQ Stock Market Opening Bell •Stairmaster/Schwinn, Susan K. Bailey and Coastal Social Media Group Join AFS •Tilton Fitness Expands Partnership With Meridian Health •And of Course, *Norm's Notes*

February 2014



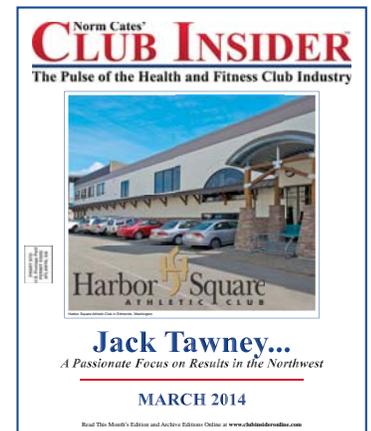
Front Page Article Headlines

- Jonas Software Acquires Retention Management

Inside the Insider

•"Insider Speaks" - What You Are Wearing Says A Lot About You! - **By:** Ashley Varol, M.Ed. •How to Bring Members Back That Leave After January - **By:** Donna Krech •Q1: The Referral Campaign - **By:** Deneen Laprade •Healthcare Delivery Services Resolve to Expand Your Market This Year - **By:** Robin Schuette •Tips To Buying a Gym Business for Sale - **By:** Jim Thomas •PR101: Navigating Your Local Media Market - **By:** Nancy Trent •The Unsolved Problem in Our Industry - Part II - **By:** Will Phillips •Catching Up With The One and Only Sandy Coffman - **By:** Norm Cates •The Group Fitness Program: Revenue Generator Or An Expense? - **By:** Laurie Cingle •Visual Fitness Planner To Host Another Seminar at IHRSA 2014 •Management of Augie's Quest Transitions To ALS TDI •Don't Miss IHRSA's 18th Annual Financial Panel In San Diego •ABC Financial Named IHRSA Associate Member of The Year •Life Fitness Recognized For Innovation •And of Course, *Norm's Notes*

March 2014



Front Page Article Headlines

- High Five! Planet Fitness Announces Five Million Members and Celebrates With Special Thank You •Active Sports Clubs Completes Asset Acquisition With Club One, Inc.

Inside the Insider

•Youth Fitness: Why It's More Important Than Just Being Fit - **By:** Karen Jashinsky •Catching Up With Club Business Dynamo... Maria Parrella-Turco On FitRewards - **By:** Norm Cates •Boost Your SEO With Video - **By:** Casey Conrad •The Cycle of Life At Your Club - **By:** Karen Woodard-Chavez •PR 101: Building Your Brand With Ambassadors - **By:** Nancy Trent (*See "2014 In Review" Page 12*)

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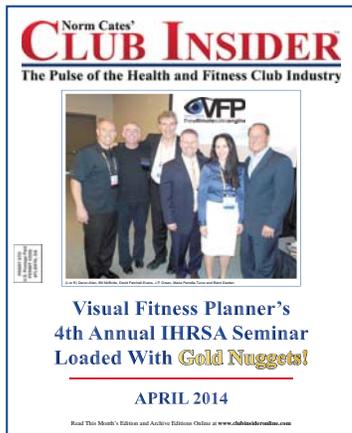
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...**"2014 In Review"**

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●How A Club Keeps Changing To Stay The Best in Their Market - **By:** Bruce Carter ●Trend Watching May Fuel A Visionary Growth Strategy - **By:** Stephen Tharrett and Mark Williamson ●Increased Participation Guaranteed With This Easy-to-Implement Program - **By:** Laurie Cingle ●Rick Caro's 18th Annual IHRSA Financial Panel Summary ●IHRSA Award Recipients Honored For Making the World Healthier and More Active ●Total Woman Gym + Spa Announces Innovative Holistic Platform For Flagship Property Opening ●Leaders Needed to Grow, Promote and Protect The Fitness Industry! ●Mountainside Fitness Expands With \$40M In Funding ●And, of Course, *Norm's Notes*

April 2014



Front Page Article Headlines

- Greg Rowe Was One Wonderful Guy!
- Larry Scott Passes Away At 75

Inside the Insider

●Bill McBride On IHRSA San Diego and Active Sports Clubs - **By:** Bill McBride ●Experience-Based Selling, Not Price-Based - **By:** Jason Reinhardt ●Become A Media Darling in the Fitness Center World - **By:** Nancy Trent ●What Has Your Website Done For You Lately? - **By:** Deneen Laprade ●Take Charge: Physician Referrals and Self-Referrals - **By:** Robin Schuette ●Programming For The "Fun Of It!" - Outdoor Programs For Spring - **By:** Laurie Cingle ●IHRSA Releases Impressive New Health and Fitness Club Industry Numbers! ●IHRSA 2014 Showcases Fitness Innovation and Leadership ●Corporate Fitness Works Acquires L&T Health And Fitness ●And of Course, *Norm's Notes*

May 2014

Front Page Article Headlines

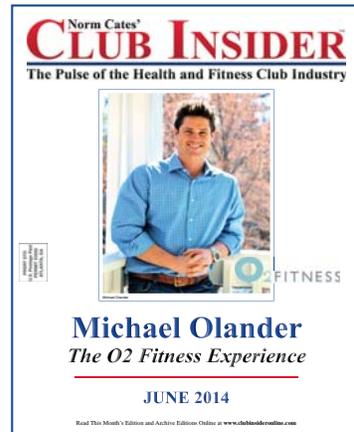
- Visual Fitness Planner's 4th Annual IHRSA Seminar Loaded With Gold

Nuggets! - Part II **By:** Norm Cates

Inside the Insider

●The Leaking Silo Syndrome: What Is It and How Do We Avoid It? - **By:** Ron Alterio ●Poof, Now You Are A Manager! - **By:** Karen Woodard-Chavez ●Everything Is Important? - **By:** Chris Werts ●More Outdoor Programs For Spring - **By:** Laurie Cingle ●Vision Quest Clubs To Be Rebranded To LA Fitness ●U.S. Supreme Court Unanimously Rules In Favor of Octane Fitness On Attorneys Fees ●Octane Fitness Named One of the 100 Best Companies to Work For ●Leading Experts, Successful Club Owners Offer Key Insights At Tennis Owners and Managers Conference ●Leisure Sports Introduces AirFit, North America's Largest Altitude Training Room ●And of Course, *Norm's Notes*

June 2014

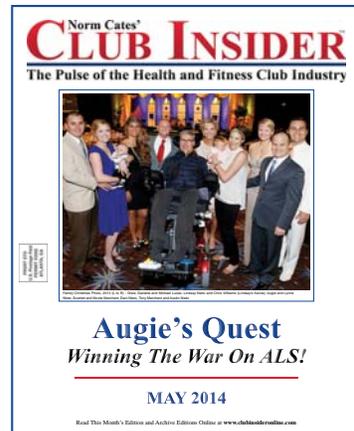


Front Page Article Headlines

- A 25th Anniversary Tribute To The STEP Company! - **By:** Norm Cates

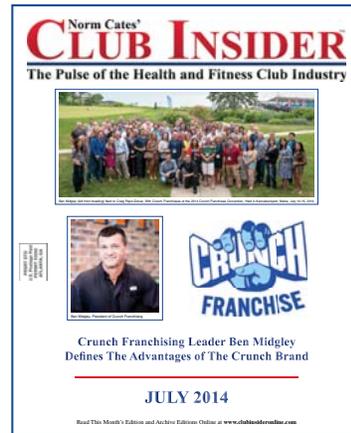
Inside the Insider

●"Insider Speaks" - The Evolution of Club Insider - Part I - **By:** Justin Cates ●Summer Is The Time to Focus on Member Retention! - **By:** Deneen Laprade ●The Connection Between Employee Love and Profitability -



By: Stephen Tharrett and Mark Williamson ●You Want Me To Do What? A Quick Look At The Top 3 Personal Training Killers! - **By:** Ron Alterio ●Programming For The "Fun Of It!" - To Charge Or Not To Charge? - **By:** Laurie Cingle ●Calling All Personal Trainers - Life Fitness Begins Its Search For Top Global Trainers ●24 Hour Fitness Acquired by AEA Investors, Ontario Teachers' Pension Plan and Fitness Capital Partners ●Industry Leaders Go Tribal at IHRSA 2014 ●Teaching Healthy Lifestyles To Children is Fun With *Active from A to Z* ●And of Course, *Norm's Notes*

July 2014



Inside the Insider

●Five Keys To Successful Gym Ownership - **By:** Jim Thomas ●Leverage Q3 For A Strong Q4 - **By:** Deneen Laprade ●Develop A Cultural Shift In Employee Wellness - **By:** Robin Schuette ●The Anatomy of A Bad Hire - **By:** Dennie Noecker ●Obesity Crisis Accelerates - **By:** Will Phillips ●You Lost Me At Hello... - **By:** Ron Alterio ●Spotting, Sparking and Capitalizing On Fitness Trends - **By:** Nancy Trent ●Determining Cost-Per-Head Benchmarks For Group Fitness Classes - **By:** Laurie Cingle ●Gordon Johnson Inducted Into The Gold's Gym Hall of Fame ●REX Adds Senior Chair With Extensive Sales and Marketing Experience ●Health Benefits of Exercise Report ●And of Course, *Norm's Notes*

August 2014

Front Page Article Headlines

- Steve Borghi Busted! - **By:** Eric Berkman
- IHRSA Institute Returns! - **By:** Norm Cates
- IHRSA Wins Gold Award For Support of Augie's Quest
- Motionsoft Raises \$10 Million Via Route 66 Ventures

Inside the Insider

●"Insider Speaks" - The Evolution of Club Insider - Part II - **By:** Justin Cates ●You Built Your Draft... Now What? - **By:** Ron Alterio ●The "Perfect Profit" Storm - **By:** Donna Krech ●Sell The Dream - **By:** Derek

Barton ●How To Create a Great Kids' Area for Your Club - **By:** Bruce Carter ●How Do You Calculate Retention? - **By:** Retention Management ●Creative Programming: Your Key To Success - **By:** Laurie Cingle ●Gold's Gym Acquires The Rush Fitness Complex ●Club Intel and InMoment Form A Strategic Relationship to Leverage ClubIntel's 50+ Years of Experience ●The Amazing SPIRIT Club! ●And of Course, *Norm's Notes*

September 2014

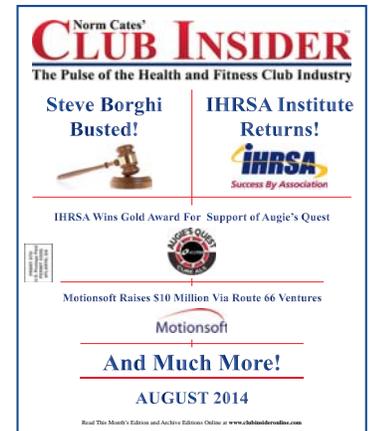


Front Page Article Headlines

- The Power of Teamwork - Part I - **By:** Dr. Art Curtis

Inside the Insider

●"Insider Speaks" - #WhyGetActive Reaches More Than 1 Million Twitter Users - **By:** Lilly Prince ●30-Minute vs. 60-Minute Sessions - Trainer Discretion is Advised! - **By:** Ron Alterio ●The Cycle of Growth Starts With Change - **By:** Karen Woodard-Chavez ●Drunk Under A Table - a/k/a Content People Want to Share - **By:** Joe Imbrogno ●How Do You Mix It Up? - **By:** Deneen Laprade ●The Secret Is Out... - **By:** Donna Krech ●Health Club Consumer Behavior Sheds Light On Industry's Future - **By:** Stephen Tharrett and Mark Williamson ●Send a Message: Causes and Community - **By:** Robin Schuette (See "2014 In Review" Page 14)





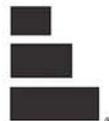
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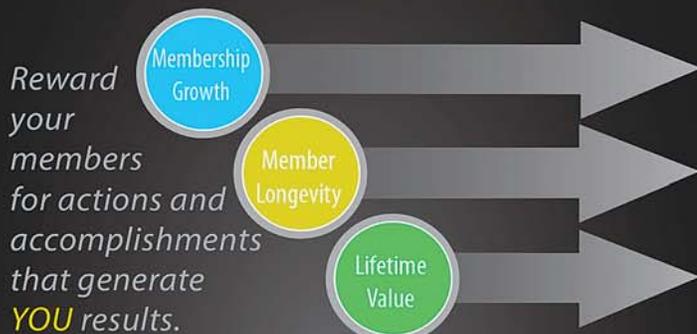


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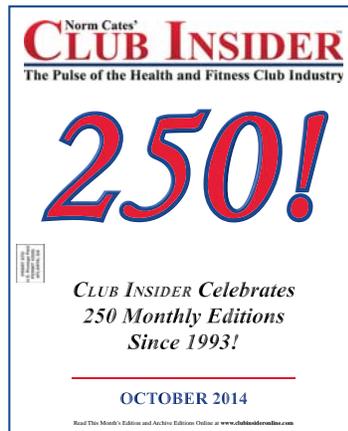
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Schuette •Programming For The “Fun Of It!” - Connecting People to Programs - **By:** Laurie Cingle •Planet Fitness Partners With NBC’s “The Biggest Loser” For 4th Year •And of Course, *Norm’s Notes*

October 2014

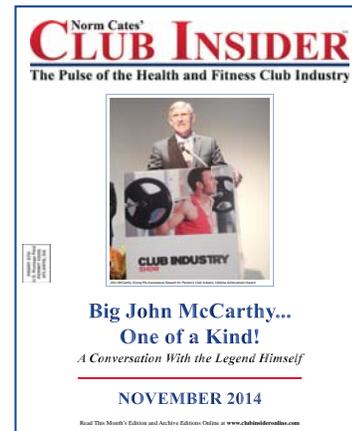


Inside the Insider

•“Insider Speaks” - The Evolution of Club Insider - Part III - **By:** Justin Cates
•Trainer Compensation - Why We Have It All Wrong And What To Do About It - **By:** Ron Alterio
•Behaviors That Lead Teams Down The Road To Dysfunction - **By:** Dr. Art Curtis
•Remaining Relevant Requires Change - **By:** Stephen Tharrett and Mark Williamson
•Let’s Stop Making It About Price... - **By:** Maria Parrella-Turco
•How To Be Great At Gym Membership Sales - **By:** Jim Thomas
•For High Performance: STOP Performance Reviews - A Summary of Recent Research - **By:** Will Phillips
•Health Clubs + Hormones = High Income In A Week - **By:** Donna Kreech
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Retention Management •Keys to Success For Multigenerational Adult Programming - **By:** Laurie Cingle
•Motionsoft Concludes Inaugural 2014 Technology Summit •Orangetheory Fitness Names David Carney As New COO
•Honor Yoga To Open In Pennington, New Jersey •And of Course, *Norm’s Notes*

November 2014



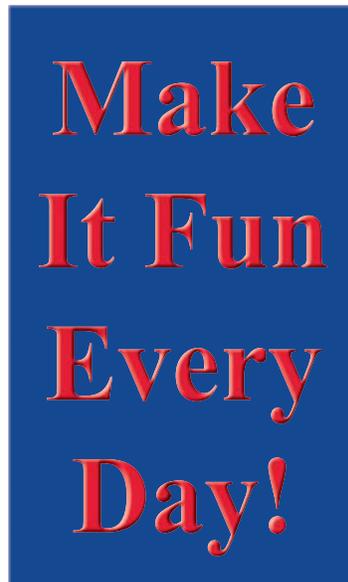
Inside the Insider

•Building Great Teams - Part III - **By:** Dr. Art Curtis
•Who’s Got Your Back? - **By:** Derek Barton
•Trees, Turkeys and Club Insurance - **By:** Justin Cates
•Secret Member Retention Tool Gym Chains Don’t Want You To Know - **By:** Joe Imbrogno
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•Ten Keys To Profitable Non-Dues Revenue Programming - **By:** Laurie Cingle
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• • •

Stay Tuned in 2015!

(Justin Cates is the President and Assistant Publisher of CLUB INSIDER and grew up in the health and fitness club industry. Justin was born into a club business family in 1985, and from the age of eight, he spent his non-school and sports hours in a home that doubled as CLUB INSIDER Headquarters. He has lived and breathed this industry for 29 years, since his own day one. Cates graduated from the Terry College of Business at The University of Georgia in 2007 and then went on to two years at The Art Institute of Atlanta, where he studied Interactive Media Design. Now, he is an integral part of the “Story” of Norm Cates and CLUB INSIDER. Justin can be reached by phone at 423-314-4310 or email at Justin@clubinsideronline.com)





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Strategic Moves for Success in 2015

By: Deneen Laprade

The health and fitness industry has reached a level of maturity that, for the first time, enables owners and operators to truly focus on improving and perfecting what happens in their clubs and studios. For decades, fitness as a concept, a product and a practice was growing and developing into the rich industry it has become.

Now is the time to hone your brand through differentiation and craft an identity that conveys your core message. Now is the time to articulate your unique connection to the industry as a whole, and to your community at the local level. Fitness is now soundly rooted in many societies and cultures throughout the world, and the best part is that it has only just begun.

How can you keep pace with the industry as it explodes around the globe? In this article, I feature five areas that can be enacted in most business models. Read through them and decide which of these concepts is a good fit with your club. Take bits and pieces from each if you like. Scratch the surface of some and dive in to others. This is the direction to take to prepare your brand and your club to be a force in the movement that is the health and fitness industry.

Differentiate and declare your differences and your areas of specialization through your brand - Use images and taglines that reinforce your core message. Everything you produce must be "on brand." The culture you establish inside your club, from policies to programming and staff conduct, must always be "on brand."

Do not tell prospects HOW you differ from the other gyms in town; rather, show them what's in it for them. Share the *tangible benefits* of your memberships using member successes to tell the story. Social media is a very effective tool to use to demonstrate these points of differentiation to expose your club's culture in its natural and unrehearsed state.

Embrace Technology. It is NOT the enemy - Fitness technology is now the *new normal in your world*. Harness the power of apps, wearable technology and interactive equipment. Do a little research to determine the best fit with your business, and you will have a whole new way to engage, interact and communicate with your members and prospects.

Establish a sales process that leverages this technology as a *value-add to membership*. Integrate these products into the fabric of your daily operations to further differentiate the member experience in your facility. Use it to run challenges and award club prizes that include upgrades and preferred rates on programs and profit centers.

Orangetheory Fitness is one of the new varieties of fitness centers that sell technology as the cornerstone of the member experience (See the **Orangetheory Fitness Ad on Page #7**). Koko FitClubs is another. The results of each workout are quantified, giving members immediate access to the key information that motivates them to keep going back to you. Instant gratification is addicting!

Targeted Marketing - There are plenty of prospects to go around. The recently published 2014 edition of the *IHRSA Health Club Consumer Report* confirms the industry continues to add more members. In fact, in 2013, there were a reported



Deneen Laprade

52.9 million Americans or 18.2% of the population belonging to a club. Overall, the industry's growth rate is a healthy 1.86%

In spite of the competitive nature of this industry, there remains a significant pool of non-members to reach out to. This is *great news!* As a result of the intense competition, you should no longer base your marketing on quantity and cost. Focus your time and money where it matters most. Start by identifying and understanding your ideal members. Know their likes, dislikes and habits and match them with the available pool of local prospects. The old adage, "Birds of a feather flock together," works well here.

The better, fresher way to promote your health club is the one that is the result of time spent learning the habits of your prospects and connecting with them directly in a manner that resonates with them and compels them to act.

What this doesn't mean is that you need to spend more money. You likely just need to improve the ROI, which will be achieved through targeted marketing. Aim to commit an average 10% of your gross revenue to marketing.

Form Clubs - The natural result of the points of differentiation you've established is that members are now connected with you for specific reasons that extend beyond their membership. The friendships they make with the early morning runners they meet each morning or the camaraderie they experienced during the recent 21-day challenge are bonds they cherish. By creating opportunities for members to connect in smaller, intimate groups, it produces a deeper connection with your business. This elicits a loyal response from these members that gives back through retention and referrals.

Support the Community - We all feel good when we donate our time and money to those in need. The fitness community is, (See Deneen Laprade Page 17)

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...Deneen Laprade
continued from page 16

at its core, a philanthropic entity. The entire premise is helping others achieve quality of life through your guidance.

Select areas of your neighborhood that you can have the greatest impact on and host teams of members and non-members to rally in support of local needs. Open your doors to the public for a community day of wellness with activities for children, health screenings from local practitioners and a variety of workouts to show people that fitness can be fun.

These interactions eventually lead you to become the trusted advisor on all things fitness, a coveted position among your competition. When individual prospects finally decide fitness is right for them, you will be their next thought!

Decide the Direction That You Will Take Your Business In 2015 Now!

This is as good a time as any to decide the direction to take your business in 2015. The fitness industry is diverse and competitive, and rather than reacting to that by responding to the competition, use these facts to inspire you to shape your business into the club you want it to be. Break free from the binds that have held you back in the past. Step into the 21st century and promote your unique fitness experience to those most likely to respond and don't ever stop.

(Deneen Laprade is an accomplished, energetic leader in fitness and wellness with proven ability to create and manage effective marketing campaigns and programs that result in revenue growth, increased profits and member retention. As a Marketing Coach with Susan K. Bailey Marketing and Design, she consistently applies her years of experience at the club level to meet the marketing needs of her clients. Deneen can be reached by email at deneen@skbailey.com or by phone at 888-349-4596. For more information, go to www.susankbaileymarketing.com)

Sales Preparation For The New Year

By: Casey Conrad

January is the time of year salespeople look forward to because of the high volume of “easy” sales walking through the club doors. Let’s face it; for those who work hard through the slower summer months, New Year’s is the pay-off, bringing with it prospects who need little or no persuasion to join. It may surprise you then when I say New Years can also be a very dangerous time for salespeople because it creates an environment where selling skills lose their sharpness. This happens because of eager-to-buy prospects but also because the volume of traffic results in sales numbers being met even if closing percentages go down. Reduced closing percentages often happen because salespeople are rushed through the qualifying and touring process due to waiting prospects. It’s a bit of a conundrum; spend more time to improve closing percentage or spend less and get to more prospects. Unfortunately, it is natural for the latter to take precedence. Consequently, when prospects are rushed through the process, and the salesperson does not truly uncover the emotional, driving force for wanting a membership, the chances of overcoming objections is greatly reduced. Furthermore, rapport is not as strong. All this means not only a potentially lower first-visit closing percentage but also a lower overall closing percentage.

Realistically, this problem will never completely go away because human nature tells us that, just as they have in years past, this January, people will flock to the clubs having made a New Year’s resolution to start an exercise program. The key, therefore, is to find a balance between a completely, proper and “ideal” tour and a more rushed tour that maximizes the likelihood of the sale. Let’s take some time and look at several areas of the sales process where salespeople can hone their skills to maximize closing.

Pre-Qualifying

Getting off to the right start with a prospect is *imperative*. Begin by listening to the words a prospect uses when you greet them. No matter what the front desk tells you about the person, ask them, “How can I help you today?” Saying, “I’m here to join,” is very different than, “I’d like to check out the club.” If a prospect gives the

indication that he is buying today, nicely ask him, “That’s great. It sounds like perhaps you’ve already done your homework and know exactly what you want. So, do you want to look around the club and get more information or are you literally here to join?” This may sound direct (and it is), but it is politely said and there is no need to beat around the bush. Worse yet, there is no need to do something that will kill the sale! If the person is ready to buy, don’t feel compelled to tour them; get the paperwork out and get them enrolled.

If, however, the person is not so confident about his buying decision, be sure to take time and go through all the pre-qualifying questions regarding source, past visits to the club, exactly who the membership is for and if his schedule allows for enough time to take a complete tour.

Qualifying

In an ideal situation, qualifying happens immediately after the meet and greet at the front desk area and is best done in a quiet area where the salesperson can take 5-10 minutes asking the prospect a series of questions that uncovers his needs and wants as well as uncovers potential objections. Exercise history, goals and motivation and potential roadblocks to starting and sticking with exercise at the club should be discussed. During peak season, salespeople will often forgo the traditional qualifying process and, instead, do it “on the fly” as they bring the prospect on a tour. Personally, I consider this a *Cardinal Sin*, but I know that it happens when rushed.

In situations where the proper qualifying process isn’t going to be followed, salespeople should, at the very least, ask two critical qualifying questions:

The first critical question: “What are the three most important things for you in choosing a quality health club?” Asking this question elicits the highest values the prospect has for joining. He may say, “Cleanliness, price and good equipment.” Whatever three things he gives, it is best to rank them, which will tell you exactly what is most important in his buying process. This now sets you up for giving the most effective, efficient tour.

The second critical question: “Is there anything preventing you from getting started on an exercise program here right away?” will help to identify any

potential objections early on. This gives the salesperson enough time to overcome anything long before finishing the tour. One of the worst things that can happen with any tour is getting to the close and having a prospect bring up an objection for the first time because, now, no matter what is said as a rebuttal, it can come across as a “sales pitch.”

Touring

Whether a proper or expedited qualifying process was followed, it is important that salespeople give a dynamic club tour that engages the prospect and gets the person to give feedback, i.e. literally say that what he is seeing/learning about is meeting his expectations and something he wants. In sales training, we call this using feature-benefit-feedback selling. Of course, a prerequisite to this is to know what is most important to the prospect, and this is why the values elicitation question is so critical. You may not have spent a lot of time qualifying, but if you know what is most important to the prospect, you can at least show him how the club will meet those specific needs and wants, thereby greatly increasing the chances of him joining.

Just as important to the elicitation is the execution of meeting those needs and wants. Specifically, if the prospect says that having a good free weight area is the most important element in the decision-making process, then by all means, bring him to that area *first*. This means that you may have to pass several other interesting areas of the club and come back to them later after you have fulfilled his highest values in choosing a club. The bottom line is that, if you are short on time to tour, you want to choose your focus points very carefully, ensuring you spend adequate amounts of time on those things rather than areas of the club in which he may not be interested.

Follow Up

Rushed tours have a tendency to fall on opposite ends of the spectrum; the person is either ready to join or the prospect often leaves without your having a clue as to his real objection because you simply didn’t ask enough questions or gain enough rapport for him to open up. The single biggest mistake salespeople make during the busy season is to send the guest off with a guest pass to the club.



Casey Conrad

The mistake isn’t in the guest pass but rather the lack of specificity as to when the prospect will come back. Salespeople can avoid this by asking a simple question when the prospect is ready to walk: “If I gave you the opportunity to use the club just as if you were a member, would you utilize it?”

Once the prospect says, “Yes,” the key is setting up an appointment. That’s right; instead of giving them an open-ended guest pass, give them a specific appointment to come back, even if it is to work out on his own. This ensures that you can adjust your schedule in a way where you can try to meet the prospect before or after and ask him about his visit. This provides a second opportunity to ask for the sale. Conversely, if he is allowed to come and go into the club as he pleases, the chances of seeing him face to face are greatly reduced.

In an ideal prospect situation, all the proper sales steps are followed without cutting corners. The rush of January brings with it the good problem of having large numbers of prospects and you don’t want them to have to wait too long for a salesperson. By following these specific strategies, you can accomplish the necessity of shortening the tour while maximizing your closing percentage by asking the right questions.

(Casey Conrad, BA, JD, has been in the health and fitness industry for 26 years. She has created and or published over 25 sales, marketing and management training products for the industry, speaks worldwide and writes for numerous international industry magazines. Her website is www.CaseyConrad.com, and she can be reached at Casey@CaseyConrad.com.)

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Please contact: KC Lee at (949) 255-7215

...C.I. Flashback

continued from page 6

Bye 1900s! in honor of and celebrating the end of the 20th century!

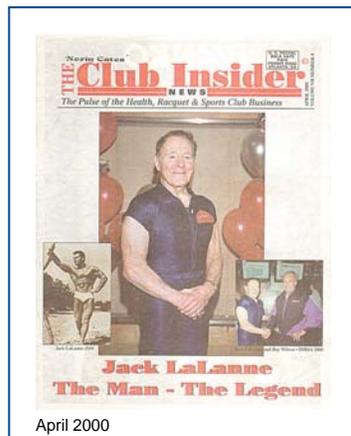
2000

•Our **January Cover Story** featured **FRANK NAPOLITANO** and the sale of his **Highpoint Athletic Club** and then joining **MARK SMITH** at **Town Sports International**.

•Our **February Cover Story** featured my long-time friends and former partners, **RICH BOGGS** and **RAY IRWIN**, and their **STEP Company**.

•Club business icon, **CECIL SPEARMAN**, was featured on our **March Cover** as he was honored with **IHRSA's Distinguished Service Award**. Cecil served IHRSA as a Board Member, and he was the 10th President of the Association. Cecil continues to be involved in the business with his sons, **MARK, SCOTT** and **STEVE** in their clubs in Laguna Niguel, California.

•Our **April Cover Story** featured the one and only, late **JACK LaLANNE**, and what a story that was! In 1999, I got to know Jack and his lovely wife, **ELAINE**, at dinner in



Chicago when they were there for the Club Industry Show. He was later honored with their **Lifetime Achievement Award**.

•Our **May Cover Story** featured **Sales Makers RAY GORDON, EDDIE TOCK** and **LYLE SCHULLER**. During their heyday, these guys helped more clubs in membership sales than anybody in the industry. Now, Ray works with **STEVE VUCOVICH's Apple Athletic Clubs in Idaho**, Eddie runs a series of **REX Rountables** for the club industry and **Lyle owns a club in Upstate New York**.

•Our **August Cover Story** featured

GLENN COLAROSSI and was entitled: **Helping the Older Get Better.**

•Our **September Cover Story** featured **CASEY CONRAD... Talented, Driven... Respected...** all words that described her well then and describe her now.

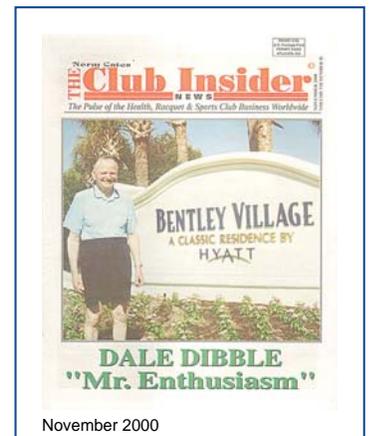
•Ever winning **DAVID PATCHEL-EVANS** graced our **October Cover**, and he continues on now with a total number of clubs somewhere in the range of 300... or is it 500!? I can't keep up.

•The now late **DALE DIBBLE**, a man I loved and called "**Mr. Enthusiasm**" because he was the most enthusiastic guy I've ever met. Dale was our **November Cover Story Subject**. It is just right that **IHRSA named its Distinguished Service Award** after him.

•And, last but not least, the wonderful and lovely **SANDY COFFMAN** was our **December Cover Story subject!**

2001

•Our **January Cover Story** featured **JOE "The GLADIATOR" MOORE**, now known as **IHRSA's terrific President and CEO** for the past **eight years**. Years ago, I nicknamed Joe "**The Gladiator**" because of his hard work and success in his State



of Ohio, fighting non-profit, tax exempt public and hospital-owned fitness centers.

•Our **February Cover Story** was entitled: **John McCarthy, IHRSA Leader of Excellence for 20 Years**, and we began the celebration of **IHRSA's 20th Anniversary** that month.

•**TIM** and **LIZ RHODE**, a very nice couple who're so beautiful they could be in the movies, were our cover subjects for **March**. They were pictured with their son **P.J.**, and the headline was: **The "Club of the Future" Is Here!**

(See *C.I. Flashback* Page 21)

Three Tools to Increase Results, Retention and Non-Dues Revenue Programming

By: Karen Woodard-Chavez

As you wrap up another successful year and take a breath before the start of the next year, it is wise to make sure you have all your systems in place for success. When it comes to program planning for non-dues revenue, I see that most tend to be reactive rather than proactive. When you think about this aspect of your business that has such a HUGE impact on what I refer to as the Indispensable Three --Results, Retention and Revenue-- why would you react and lose ground when you can plan and gain ground?

The tools in this article are three of 14 tools in my *Program Success Guide to Impact Results, Revenue and Retention*. The three tools we will focus on include:

- 1. Surveys** - Success depends on being market driven... survey members to understand what they want.
- 2. Begin with the end in mind** - Work backwards with the numbers and the calendar.
- 3. Do the math** - Cost and pricing.

Take a look at how you have planned your programming for 2015... or have yet to plan and utilize these tools to assist with your success. Lets get started:

- 1. Surveys** - Success depends on being market driven... survey members to understand what they want.

Take 30 - 60 days to survey your population about the types of programs they desire. By doing so, your programs become market-driven rather than driven by the desires of what the staff *perceives* the population wants. Do not discount the intelligence of the staff in program development and do not neglect the intelligence and desires of who will be paying for the programs.

Surveying can be done electronically with an online survey service or manually by having the staff survey at least 400 of your population. Clearly, manual surveys will be more of a challenge to compile data but can be very effective in providing insight into what members desire. Point of Sale (POS) surveys can be done as an interest survey and absolutely should be done with every new member who joins the club.

Sample survey elements include, but are not limited to, the following:

- Age of the respondent;
- Gender of the respondent;
- Time of day they desire programming;

- Outcomes they desire for their health and fitness;
- Activities they would like to pursue if they were in better health and fitness;
- Challenges they currently have with achieving their health and fitness goals;
- Amount they would be willing to pay to have help in achieving their goals.

By gathering data from your population every six months, you will have a more clear perspective of what they will be willing to purchase, and you will then be able to develop programs that meet their needs. Not only can the survey be a tool for developing more targeted programming but can also be a good will tool that shows the members that you care, listen and act upon their desires.

- 2. Begin with the end in mind** - Work backwards with the numbers and the calendar.

To impact retention, we know we need to get more members involved in programming and using the club more frequently. To accomplish that, we need to start with what percentage of members are currently involved in the club's programs. Let's take this one program at a time. You may have tennis, aquatics, personal training, small group training, massage, spa, etc. You will need to accurately calculate for each program and create a plan for each program.

For example, let's start with personal training. You will need to calculate the number of members currently and actively training. That is defined by at least one session per week regularly. That does not include members who have paid for personal training and have "X" sessions left but have not trained for two months or more. Once you have that accurate number, you will divide it into the total number of members to tell you what percent of members are involved in the personal training program. This is important to know. Many clubs are below 2%. Average clubs are at approximately 5%. Strong performers in results, retention and revenue are at 10% or more.

Now that we know what percentage of members are involved, let's figure out where we want to go, or grow. What do you want to grow that percentage to? Are you at 2% and want to get to 3% in the next six months? Let's use the example of a club that has 5,000 members and is at 2% of members for personal training services. That would be 100 members. If the club wants to grow to 3% in a 6-month period, that would be 150 members involved in

the program. If that is the case, then you would need to add 50 more members over six months. That is only partially true. You need to also account for the number of members who may discontinue training in that original group of 100. This tells us it is critical to track how many members drop out of the training program each month. Let's say that two members drop out each month. Over a 6-month period, that would be 12 members. With that in mind, if you want to get to 3% of total members training in six months, then you will need 62 more members to join the program. To add 62 more members, you would need to add an average of 10+ each month for six months.

You will need to do this calculation separately for each program department you have in the club. When you do, it will be very clear that you will grow results, retention and revenue. How you will grow it will be found in the remainder of this guide.

Plan your 6- to 12-month period in advance. Purchase a calendar for 12 months that allows you to see all 12 months in one gaze. Preferably, a dry erase calendar to allow for edits, so to speak, is optimal. Place this calendar on your office wall and then take a look at what is happening seasonally that your population prepares for. For example, what athletic events, such as races, leagues, tournaments, are happening in your town that you can develop programming for? What is happening in terms of athletic or sport pursuits that your population wants to be better at? Think "resolution rush" season in January, triathlon season, golf season, bridal season, "reunion ready" season, ski season and how you can develop programming to enhance your population's performance or appearance.

Start filling in your planning calendar with these areas of focus, followed by the other programs that you know are already winners. Avoid having more than 3 - 4 programs happening at once. If your programs are *very clearly targeted to distinct populations and clearly marketed to those distinct populations*, you will be fine with 3 - 4 programs. However, if your programs are not clearly and distinctly differentiated, you will be competing for the same members, and you will not succeed.

Once you have 6 - 12 months planned out for program concepts, it is then time to go to work on formulating the details of the program. The importance of planning out in advance is to prepare for success and be proactive rather than reactive with your programming. Literally



Karen Woodard-Chavez

having the visual of seeing 6 - 12 months of programs planned will allow you to see if you are overlapping or missing out on any opportunities as well as serve as a reminder of what you need to prepare for over a specific period of time.

- 3. Do the math** - Cost and pricing.

Pricing relates to what the market will bear. Pricing relates to the cost and the cost relates to the pricing. What that means is that your market has a threshold of what they perceive as value. What is it? It also means that there is a margin that the club must achieve and that cannot be any lower than 25% when ALL expenses are paid.

If you know that you are going to start your pricing exercise for a 6-week, 18-workout program at \$199 (which by the way is \$11.05 per workout, a screamin' deal!!!), then what are the labor costs? If 10 - 15% goes to the seller (\$20 - 29.85 + labor burden of \$3 - \$4.50), and 35 - 45% goes to the professional who delivers the service (\$69.65 - \$89.55 + labor burden of \$10.50 - \$13.50), then it looks like 40% goes to the club. Does this include your materials (props, special equipment purchased, etc) costs for the program? Does this include the marketing materials cost for the program?

In this model, the percentages look good, but let's really take a look at the dollars and see how the percentage shakes out in reality:

If 10 - 15% goes to the seller, that is in actuality \$23 - \$34.35 that is paid by the club. If 35 - 45% goes to the professional, that is in actuality \$80.15 - \$103.05 that is paid by the club. Lets factor in an estimated cost of 10% of gross revenue for one program fee to equal \$20.00 for material/marketing costs for the entire session. If we add those costs up, we get a paid out range (See Karen Woodard-Chavez Page 22)

“We expect that we'll save over \$100,000 a year since our members will use Member Self-Service by Jonas Fitness to access their information.”

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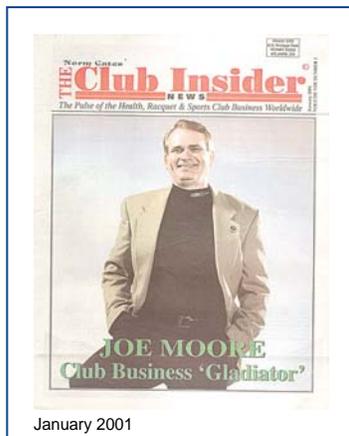
continued from page 19

•Two wonderful guys and great industry leaders, **JOE CIRULLI** and **GEOFF DYER**, were **IHRSA's 20th and 21st Presidents** and the **Cover Subjects** for our **April Cover Story** with the headline: **IHRSA Celebrates 20 Years!** This was a continuation of **IHRSA's 20th Anniversary celebration!**

•**ROY SIMONSON, Inventor of Ground Zero Fitness Equipment** now called **FreeMotion**, was our **May Cover Story subject**. Roy is a brilliant guy!

•**ED WILLIAMS and DR. ART CURTIS** were our **June Cover Story** subjects with the Headline: **Ed Williams and Art Curtis Leading Wellbridge**. These two great guys have achieved and continue to achieve an awful lot in our industry, and both of them served **IHRSA as Directors**, with Art serving as **Chairman for two years** when John McCarthy was retiring, the second time **IHRSA had a 2-year President/Chairman**.

•In **Texarkana, Texas**, **MIKE MINTON** has built a club in this small city that rivals any club you will find in America. Not only does **Minton's Sportsplex** have an amazing fitness center and multiple sports facilities,



January 2001

Minton's has also incorporated certified **Pre-School and After School** programs within his club's walls, something I've never seen done as well or to the extent and excellence Mike has done!

•In **August**, the month before **9/11**, I visited **New York City** and walked into a lot of clubs there, including a visit with **MIKE MOTTA** for a **Cover Story** on his **Plus One Clubs**. Little did any of us know when I was visiting then that the very next month tragedy would hit.

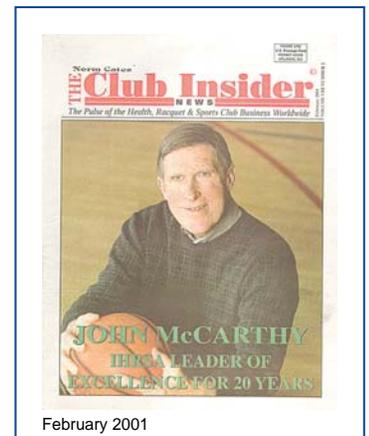
•The next month, for our **September, 2001 Edition**, I'd scheduled a **Cover Story**

about **MIKE ARTEAGA** and his now **40+** year running club he now calls **Mike Arteaga's**. But, after **9/11 hit America**, I felt compelled to do something patriotic with our cover. So, I contacted Mike and explained that his story would run, but his cover was bumped to feature a big **American Flag** on our cover with the headline: **God Bless America!** We ran Mike's story with an **Inside Front Page Second Cover Image**, and then, eleven years later, in **September 2012**, we did another cover story about Mike, with his Team featured on the Cover.

• • •

Well folks, this is our **Flashback for December, 2014**. Remember though, to access **All 252 Editions of CLUB INSIDER** from day one, just go to www.clubinsideronline.com/archives. Of course, to have full access to all these past editions, you must be a **Paid Subscriber**, and you can do that easily online at www.clubinsideronline.com/subscribe. **Stay Tuned!**

(Norm Cates, Jr. is a 41-year veteran of the health, racquet and sportsclub industry. Cates is the Founder and Publisher of CLUB INSIDER, now in its 22nd year of publication. Cates was IHRSA's First President, and a Co-Founder with Rick



February 2001

*Caro and five others, in 1981. In 2001, IHRSA honored Cates with its **DALE DIBBLE Distinguished Service Award**, one of its highest honors. Cates may be reached by phone at **770-635-7578** or email at Norm@clubinsideronline.com)*



Energize Member Sales and Retention With a Money Back Guarantee

By: Joe Imbrogno

Two weeks ago, my "new customer promo rate" with my home Cable and Internet service with my current provider was coming to an end and my bill was set to increase by \$60 per month.

Yes, the same service for a higher price. Obviously I wasn't having that.

In their defense, they *did* offer me a new, lesser-discounted rate going forward, but after a year of lackluster service, I decided a change would be for the best. So I reached out to my only other option in the area for a summary of their services and pricing.

Not only would I be saving \$20 per month over what I was originally paying, but I would be receiving a more "feature rich" offering.

Weary of change and being somewhat comfortable with the "Devil that I know," finding out that this other company offered a 30-day money back guarantee made my decision easy.

Sign Me Up!

If I followed through on my end

(that is, if I kept the equipment in good working order), I would be refunded all setup and first month service fees upon return of the equipment. Health clubs have the same opportunity here.

A fear of "high pressure sales tactics" is one of the five fears of joining a gym I've identified in a commissioned research study. So, offering a "money-back guarantee" of sorts can help to alleviate that fear. Some gym owners already get this:

•**Brick Bodies** in Maryland, for example, provides new members with a "14 Day Comfort Guarantee."

•Another includes **AussieFIT** in Columbus, OH. AussieFIT offers a 30-day "Feel Good Guarantee" to new members.

"The Comfort Guarantee" or 'Feel Good Guarantee,' as we call it, removes the need to make a joining decision on the first visit to the gym. This allows the prospective member to experience the club at least two times per week for four weeks. And, if they are not completely happy at that point, they can request a full refund,"

according to Geoff Dyer, AussieFIT Owner. "On average, we see less than 1% of new joiners canceling each month under the Feel Good Guarantee."

The concept is alive and well in other parts of the world, too! For example, **Fitness First** in Australia provides new members with their version of a "14 Day Comfort Guarantee," promising, "If you're unhappy and change your mind within your first 14 days of joining, you can have your money back on your weekly dues."

But, how does this contribute to member retention? **I thought you'd never ask!**

Well... remember my Cable and Internet story? The stipulation in place for the money-back guarantee was that I return all equipment in good working order. In the case of the "feel good guarantee," new members must typically commit to some regular usage of the club during the guarantee period in order to qualify.

This accomplishes *two things*:

1. It ensures that members are using the club *EARLY* and *OFTEN* after they sign up, which keeps them motivated during the initial on-boarding period.
2. It sets them off on the right path to meeting their fitness goals so that they ultimately get results.



Joe Imbrogno

And, as I covered in **The Secret Member Retention Tool That The Big Gym Chains Don't Want You to Know** in the **November, 2014 Edition of CLUB INSIDER**, three of the top reasons people stay at a gym are: (1) **Getting in shape** (2) **Improving overall health** and (3) **Making progress towards fitness**, and these are directly impacted by the above!

Does your gym have a money back guarantee in place? We'd welcome hearing about your results and experience with that. Contact **Joe Imbrogno** by email at joe@exaktmarketing.com.

...**Karen Woodard-Chavez**
 continued from page 20

before the club is paid of \$123.15 - \$157.40 per paid program fee. Those real dollars reflect real percentages of 62% - 79% in program costs, which leaves 28 - 21% going to the club. **This number does not even reflect operating costs outside of labor and marketing.** That would tell us that something needs to be adjusted either in price or in costs. That is where you need to play around with the percentages until you strike the balance that works.

As an alternative, you may want to offer a flat fee to the Trainer/Instructor to lead the program and a fixed dollar amount incentive per participant above a specified number of participants to maximize number of people in the program.

Either way, do the math and be certain that the club derives the percentage desired.

...

How have you incorporated these three tools in your successful program

planning? If you have done so, KUDOS to you. If you have not, it is not too late to be intentional with your program excellence that will allow you to achieve a higher level of results, retention and non-dues revenue.

The *Program Success Guide to Impact Results, Revenue and Retention* and all 14 tools are available for \$59.

(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 reached at 303-417-0653 or karen@karenwoodard.com)

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International Health, Racquet & Sportsclub Association

Take Charge: Building a Credible Referral Network

By: Robin Schuette, MS.

With the current digital revolution and the evolving healthcare transformation, how do you even begin to make an impact with the chronic disease population? I had the opportunity to discuss some of the challenges and issues in developing referrals through thought leadership at the Club Industry Show in October and wanted to share how to expand your club's market. With 1 out of 2 individuals in the United States having a chronic disease condition, there is great potential. To paraphrase the artist Georgia O'Keeffe: *The goal is to make your unknown known.*

The digital revolution affects all of us, at work and at home. This article is not about *social media*, which is how many of us spend our leisure time on Facebook, Youtube or other channels. This is about **digital media** for your business and reaching targeted markets through developing thought leadership on the appropriate channels.

Thought leadership is the new marketing. It is the cornerstone of nurture marketing and social IMC (integrated marketing communications) outlined in *Social IMC: Social Strategies with Bottom-Line ROI* by Randy Hlavac. Hlavac notes that 80% of businesses conduct Engagement Marketing using metrics such

as likes or follows. However, the 20% that use nurture marketing or Social IMC are showing measurable results to impact their bottom-line. With engagement marketing, it is very difficult to identify your best prospects and even more challenging to push sales. This type of approach may be valuable for widespread initiatives, but businesses need awesome content leveraged with traditional media to establish a broad footprint quickly.

Here's where you have an opportunity in your community in digital media: Showcase your expertise or superior programs through thought leadership. With tons of information at our fingertips, consumers don't want products pushed on them when they can research other options. They want to find solutions to address their problems. In some cases, a trigger event, such as a chronic disease diagnosis, triggers them to seek virtual communities to get answers.

If you are a member of a user group on Facebook or participate in an online bulletin board for a specific issue, you have experienced deeper conversations about something you care about. In fact, Facebook has noticed more users are discussing chronic disease conditions and is exploring app development. But, why leave that to Facebook?

In addition, when people have

a passion for something, they seek like-minded people through forums or passion sites such as Pinterest, which has one of the highest conversion rates to websites, especially among women. Developing thought leadership doesn't mean your website becomes obsolete. Websites need to reflect what's happening now with current content and track and identify the types of visitors. This doesn't just mean number of visits, it means using forms to capture data from prospects.

If your facility has quality programs that deliver results, most people with chronic conditions will self-refer. How do you then capitalize on word of mouth? First, to become a leader for chronic disease management in your community, some fundamentals must be in place:

1. Build the infrastructure. For example, appropriate staff credentials, new member intake process, intake forms, software, etc, need to be in place.
2. Plan, budget and measure program results.
3. Identify targeted chronic disease segments of the population in your community or within your club's membership (active and inactive lists).
4. Communicate consistent messages through traditional and digital tactics. Polish your digital presence and respond to comments through Yelp, Trip Advisor, Yellow Pages and Google+.

Today, healthcare systems are expanding through mega mergers, and the cost pressures of declining reimbursements have led to internal reorganization. Hospitals are buying and merging their businesses to cover wider areas and reprioritizing their primary business. The role of the institution focusing on community health services for prevention and wellness is shrinking at a time when consumer awareness has grown.

Another issue affecting healthcare is the electronic health record (EHR). The EHR *should* provide community resources for those patients with chronic disease, and according to ACSM, specifically those affected by obesity, diabetes, cardiovascular disease, hypertension and high cholesterol, as well as those at risk of falling. However, link-ups to the record are unclear. There is too much diversity in the marketplace to know how to best direct your efforts. However, as noted in an earlier column, ACSM is focusing on its *Exercise is Medicine* application and certification, which I encourage all healthcare professionals to consider.

To target chronic disease in your community and gain more self-referrals, I recommend two types of promotions: A community event, **Choose to Lose** and



Robin Schuette

5 Alive, which I outlined previously to identify high-value targets through a new membership intake process.

Community-based events can establish a wide footprint, bring in new prospects, tie-in trial memberships and help to convert some customers to specialty group-training programs. For an example, visit our website for an outline on planning a community-wide, free eight-week weight-loss program, **Choose to Lose**. We successfully planned and managed this event for several years in a Walmart-type market during March to May, a typically slower time period for sales. But, I believe it may have impact in even competitive markets.

To summarize:

1. Be digital, be disruptive: Develop consistent, professional brand messages. Don't just follow the pack.
2. Choose channels that will be most effective for your audience. For small businesses focus on three or four based on what you can begin to measure and that tie to traditional promotional avenues and communications. Don't forget to plan consistent content that matches your brand.
3. Deliver consistent quality (customer service) and report results (pre- and post-testing on any type of short-term program) on all your channels.

For Digital Housekeeping tips for yourself or your business, email me at rschuette@medfitpartners.com. Follow our company, **MedFit Partners** on **LinkedIn** for ongoing tips on successful **Choose to Lose** promotions.

(Robin Schuette is a communications navigator for wellness centers, fitness clubs and spas. For more information on how to start a meaningful blog or online forum, connect with MedFit Partners on Google+. Add us to your circles for a Google Hangout.)

New Business Management Course Helps Health and Fitness Professionals Master Competencies of a Supervisor or Manager

DALLAS, TX - A new online course created to help health and fitness professionals improve the competencies necessary of a supervisor or manager has been released through a cooperative effort between the American Council on Exercise (ACE), the largest health and fitness certification, education and training provider in the world, and Club Industry Consulting, a private consulting firm owned by 35-year veteran Stephen Tharrett.

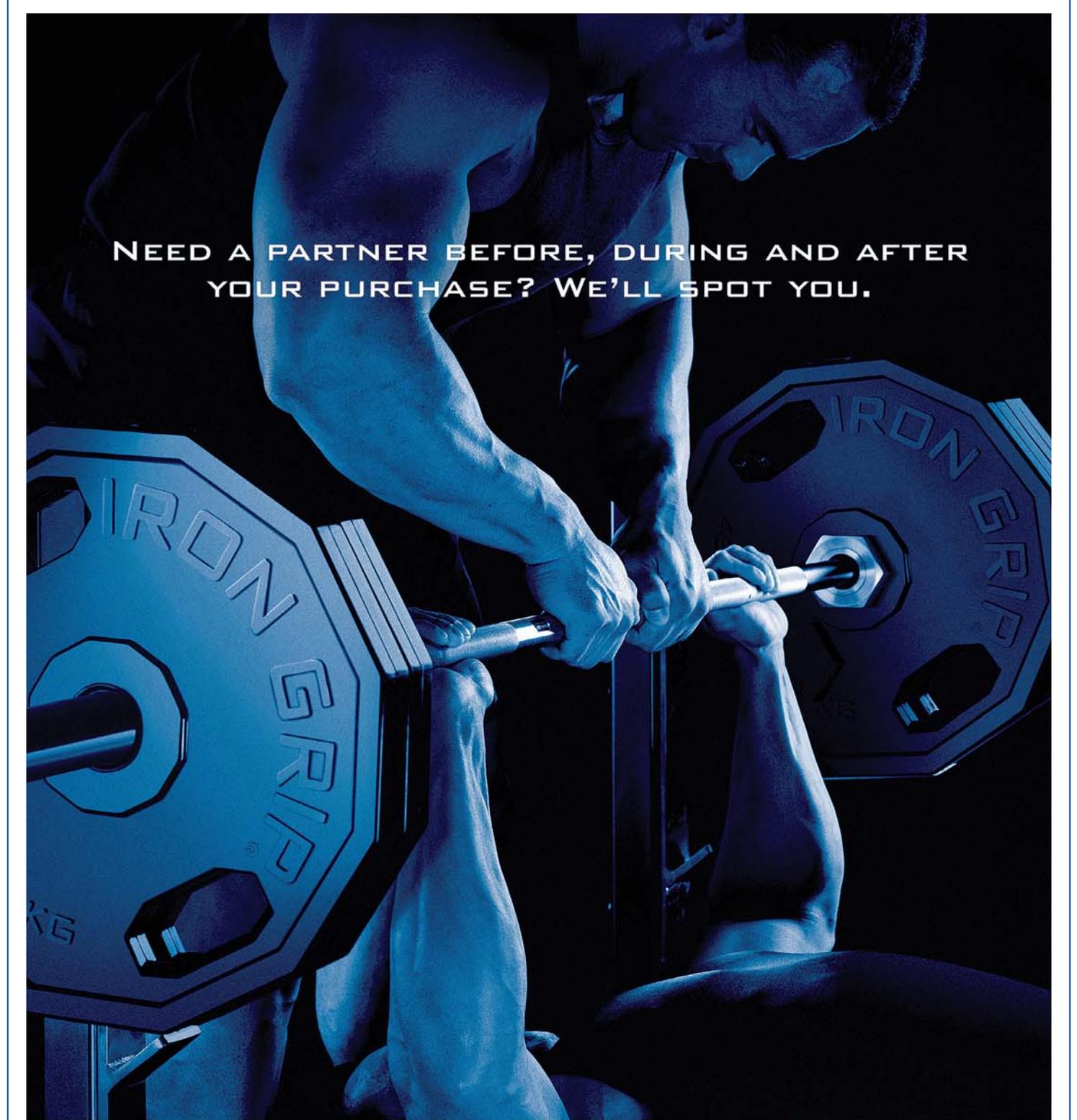
The course, designed for health and fitness professionals who have a self-directed approach to mastering competencies expected of a fitness business supervisor, incorporates expertise on branding, business planning, equipment

specification, facility design, financial management, marketing, membership retention, operation, programming and sales.

It is comprised of five modules covering 17 distinct lessons composed of written content from *Fitness Management, 3rd edition* and digital presentations. At the completion of each module, participants are required to successfully pass a module exam.

Health and fitness clubs or organizations desiring to incorporate the online course into their management development programs can customize the education to their company's specific culture through a special Coaches Facilitation Guide.

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Cutting The Fat On Cancer

By: Helen Durkin

Publisher's Note: This article was written by IHRSA's Vice President of Public Policy, Helen Durkin, and published by *The Hill Magazine* on December 10, 2014.

• • •

Fat cells aren't docile storage vessels of fuel. They can be insidious, secreting hormones and other substances that can wreak havoc on our health. In fact, the link between excess abdominal fat --specifically, the visceral fat that surrounds our vital organs-- and illnesses like diabetes and heart disease is well documented and widely publicized.

It should come as no surprise, then, that obesity is a significant risk factor for cancer. Yet, it does. As many as 93% of the U.S. population, in fact, have no idea that being overweight and obesity stack the odds against them when it comes to cancer. Not only does it increase the risk of getting cancer, but it decreases one's chances for

surviving it.

That's a very serious knowledge gap on a pervasive and extremely costly public health issue. In fact, it's more like a chasm when you consider the landscape: More than two out of every three Americans is obese or overweight; obesity is expected to soon surpass tobacco as the leading preventable cause of cancer in the United States; excess body weight contributes to 20% of all cancer-related deaths; nearly half (41%) of all Americans will be diagnosed with cancer at some point in their lives; cancer costs are projected to reach at least \$158 billion in 2020; and by 2030, nearly half a million Americans may be diagnosed with obesity-related cancers every year.

The American Society of Clinical Oncology (ASCO) recently took action to change that landscape by issuing its first-ever position statement on obesity and cancer (<http://ow.ly/EPKGF>). Given ASCO's standing as the world's leading professional organization representing physicians who care for people with cancer,

its initiative may prove to be a critical benchmark in the fight against obesity.

But, if we're to really affect the course of cancer prevention in America in a meaningful and monumental way, it's going to take the involvement of many organizations and individuals from all sectors of society. Critically, it will require serious Congressional support and action.

For years, the health club industry has been advocating for public policy and legislation that would remove barriers to and incentivize exercise, a key element of primary prevention and a low-cost preventive against many costly chronic diseases, including several types of cancer. In fact, according to *Harvard Health Publications*, experts stress that lifestyle, especially exercise, is the very best way to fight visceral fat, the specific type of fat that has been implicated in cancer and other health concerns.

The concept is this: If we can create a culture of wellness in all segments of society, we can prevent disease; avoid costly and debilitating health care spending;



Helen Durkin

increase productivity in the workplace and competitiveness in the global marketplace; and strengthen our international standing.

ASCO has now put forth a roadmap for slowing the rise in obesity-related cancers nationwide and limiting the harmful effects that obesity has on cancer
(See Helen Durkin Page 28)



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...Norm's Notes

continued from page 8

we can't thank them enough. However, I want to be sure that you make plans to go and support them at **IHRSA Los Angeles in March**, so check out my earlier Note with our Advertiser's IHRSA Exhibit #s. Folks, you should consider doing business with these great companies because: (1) You can **TRUST** them. (2) They will **take care of you and treat you right**. And, (3) They make **CLUB INSIDER possible every month, because without them, our subscription revenues alone would not float this boat.**

3. Our Contributing Author Team - Check out **Page #4** for the list of these special people. Keep in mind that, over the years, I've crafted our prestigious **CLUB INSIDER Contributing Author Team** to include **professionals** in our industry who can help all of you with the various disciplines that are required to staff and operate profitable clubs. **Folks who know sales. Folks who know marketing. Folks who know PR. Folks who know Insurance. Folks who know how to design and outfit clubs. Folks who KNOW what you need to know, and folks you can TRUST** are the folks we bring to you every month. So, **very sincere Thanks and Appreciation to all of our Club Insider**

Contributing Authors!

4. Walton Press - We want to **Sincerely Thank** and express our great **Appreciation** to the wonderful folks at the great 114-year old company, **Walton Press**, in **Monroe, Georgia**, as they've **printed every single edition of CLUB INSIDER, all 252 monthly editions**, since the beginning in **December, 1993!** In particular, I want to **Thank Ms. LINDA McGINNIS**, our Account Manager; **Ms. JUDY HARRISON**; **Ms. NANCY SHUMAKE**; **BEN BROOKS**, **BRIAN MALCOM** and everyone else in the Prepress Department; **Ms. KELLY PARHAM** and **Ms. DEANNA RICHEY** in the Mailing Department; **Ms. SUSAN WILLIAMS** of Accounting, and last, *but certainly not least*, the **BOSS, the ever-present and very kind, MR. KEVIN BARRETT!**

Thanks and Great Appreciation... We love you all!

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• **Merry Christmas, or Happy Holidays and a Happy, Healthy New Year to all!**

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

(Norm Cates, Jr. is a 41-year veteran of the health, racquet and sportsclub industry. Cates is the Founder and Publisher of CLUB INSIDER, now in its 22nd year of publication. Cates was IHRSA's First President, and a Co-Founder with Rick Caro and five others, in 1981. In 2001, IHRSA honored Cates with its DALE DIBBLE Distinguished Service Award, one of its highest honors. Cates may be reached by phone at 770-635-7578 or email at Norm@clubinsideronline.com)



Growing A Fitness Club, 24/7

DALLAS, TX - Finally, a powerful resource and learning tool that removes the roadblocks for a club owner who simply can't find the time for classroom training

or onsite consulting. Recently launched as part of the ever-expanding Fitness Management & Consulting, *Jim Thomas On Demand* delivers an accessible online training platform for club owners seeking to improve their membership sales and even turn around their clubs.

Club owners subscribing to the affordable membership offered by *Jim Thomas On Demand* can listen in on clips from Thomas' intensive, energetic sales training courses for amping up gym memberships as well as dozens more valuable tips on successful club ownership. On Demand subscribers can also plug into more than 600 articles, audio and video training modules, forms, how-to training manuals and more.

"Our On Demand offering is particularly beneficial for smaller clubs that can't hold regular sales trainings due to lack of hours in the day, funds or the ability to pull sales staff out of the club for an extended time," says Thomas. "Club associates can simply access the specific modules online as requested by the owner, listen and learn and put the enhanced sales techniques into play right away."

With the same magnetic appeal of Fitness Management & Consulting, *Jim Thomas On Demand* also captures club

owners from across the globe who want to improve their businesses with a less hands-on approach typically delivered to clients.

Can growing a fitness club really be so convenient? "It is, with the right people and processes in place," says Thomas, "Consistency is key. Even if you believe your club is performing well, there's always room for improvement and more profitability." In order to reap the most benefits from the platform, Thomas recommends daily viewing or listening to one sales meeting or three to five consulting modules such as:

- Learning the KPIs of a fitness club;
- Best methods of collecting referrals;
- The three biggest challenges faced by gyms;
- How to market personal training, programs and classes.

Upcoming enhancements for *Jim Thomas On Demand* include adding preferred vendors' video and audio content, as well as an "I Want to Learn" option to subscribers to receive customized training modules straight from Thomas himself.

To learn more, go to www.jimthomasondemand.com.

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So, You Want to Bring in a Private Equity Partner?

By: Mike Manning

I have one half-joking question for you, "Have you lost your mind?" Actually, there are a couple of very good reasons to consider doing an equity transaction. If you have a market-changing concept and want to grow faster than profits and bank loans will allow, it might make sense to consider an equity transaction. Also, many business owners wind up with a high percentage of their net worth tied up in the company. An equity deal can help founders partially cash out and diversify their wealth while staying involved in the business. In my career, I've been directly involved with two equity transactions and have spent many hours studying and discussing other transactions with both investors and investees.

Most of the largest club chains have done multiple private equity transactions, and many regional chains have, too. LA Fitness, 24 Hour Fitness, LifeTime Fitness, Equinox, Planet Fitness, Urban Active, Titan Fitness, Crunch, Lifestyle Family Fitness, and my former employer, The Rush Fitness Complex, have all done them. When the equity group and founder are a good fit and the strategy works, everyone makes a lot of money. If a deal goes really bad, founders can get kicked out of *their company*, sometimes occupying a powerless board seat and

with no day-to-day role in a business they built. To properly position your company for a successful deal, you should begin preparing several years in advance by educating yourself, surrounding yourself with the right management team and board and asking yourself some hard questions.

Let's start with education. If you feel like an equity deal might be in your future, you should be attending Rick Caro's Financial Panel at the IHRSA Convention every year. Rick does a great job picking panelists and sharing information about recent deals that have taken place in the industry. It would also be a good idea to seek out founders/CEOs in our industry who've done equity deals and asking them a lot of questions.

When an equity group makes an investment in your company, they are investing in you, your vision, and to some degree, the people you've surrounded yourself with. Many founder-led companies do not have a real board of directors/advisory board and operate as an extension of a founder who is not accustomed to being held accountable by anyone. Equity groups will almost always insist on taking a controlling ownership position in these firms. If you have a board that holds you accountable and that you occasionally yield to, you increase the chance that an equity group will agree to

take a minority position, which means they can't easily kick you out of the business if things don't go well. If you have a weak management team, an equity partner may want to upgrade your senior leaders over time, which can be traumatic for you and people you are close to. Surrounding yourself with the right people as you are growing will help you keep control of your business.

Not all business owners can handle a partner. Over time, I've worked for three founder-led companies. One of my founder/bosses always knew that he needed to maintain 100% ownership and wouldn't even consider a minority equity partner as he couldn't handle a loss of even a small amount of control. Another former founder/boss started his business with a 50% co-owner who didn't get very involved, and any private equity transaction would have taken his ownership below 50%. A final former founder/boss has done two private equity transactions, but he'd had a strong outside board of directors for years, learned to listen to a management team he strengthened over time and has never owned less than 50% of his company. Over time, he bought out both groups. Everyone's situation is different, but if you are considering a deal, there are some things you should be aware of.

First, it is important that you know yourself well enough to understand whether you can handle having a new partner asking questions about your strategy and how you spend money, especially if you sell a controlling ownership position. Even a minority equity partner will have negotiated rights that you may find annoying once the deal is closed, and not all owners can handle the shared control. Can you?

Second, equity groups will go to great lengths before closing a deal to tell you that you are driving the bus, and they would never replace you as CEO because they aren't operators, don't understand the business well enough, etc. However, there are quite a few founder/CEOs in our industry who've been kicked out of their company by an equity partner after a few years of bad numbers or disagreements over strategy. Equity groups really don't want to fire a founder because they aren't usually operators and can't run your company, but they acquired over 50% of your business for a reason. If things get bad enough, the equity group will replace you.

Third, many equity groups raise funds to invest for a specific time period, usually ten years, and at the end of that time period, regardless of how your company is performing, they need to return the money to their investors. If one of these groups invests in your business, they will have a right to exit at a certain time, and you are then hostage to their timeline. If



Mike Manning

your exit timeline is different than your equity partners, you may not have much input in who your next partner is, and a strategic buyer might be the highest bidder. There are some equity groups that invest more patient capital, usually money from a wealthy family, which can stay in a business much longer than ten years as long as the business continues to grow and create value.

Finally, my opinion is that due diligence for any equity deal should involve an organizational psychologist analyzing the personalities, communication styles and interaction between you, your senior leaders and your prospective equity partners. The analysis will cost some money, but it is better to spend \$15,000 up front and back out of a bad deal than to go into business with the wrong people. Ask your prospective equity partners for references from both good deals and deals that did not meet their expectations. A post closing board that includes only you and a couple of people from the equity firm isn't usually a very good board, and just because an equity group has had success investing in our industry doesn't mean they understand it. Before you finalize an equity deal, make sure you will have a strong, well-rounded, post-closing board of directors.

(Mike Manning is a former CFO of The Rush Fitness Complex and owns Strategic Advice LLC, a business consulting firm. Manning is passionate about working with business owners to grow great companies and has extensive experience with corporate boards, private equity transactions, mergers and acquisitions, bank agreements, club software systems, site selection and lease negotiation. Manning is a member of the National Association of Corporate Directors and Financial Executives International, a former member of the International Council of Shopping Centers, and can be reached at manning@strategicadvicellc.com)

...Helen Durkin

continued from page 26

patients and survivors. Its sets four sound priorities: (1) Education and awareness; (2) Tools and resources to help oncology providers address obesity with their patients; (3) Research; and (4) Advocacy, specifically for policy and system change to address societal factors contributing to obesity, and to improve access to weight management services for patients with cancer.

ASCO's initiative presents an opportunity for all of us to intensify our focus on prevention and healthy lifestyles: Congress, schools, businesses, health care professionals, churches, families, local governments, etc. But, we all must work together to make a difference.

America's health clubs, for one, are putting their shoulders to the wheel in the battle against cancer and obesity by promoting exercise and offering healthy lifestyle programs. In fact, the IHRSA Foundation --the International Health, Racquet & Sportsclub Association's (IHRSA) philanthropic arm-- is working with IHRSA Member Clubs to offer tailored exercise programs specifically for cancer survivors. The "Back to Life" integrative mind-body-spirit curriculum, developed by a cancer survivor, serves as the model for such programs. The focus will be on

helping cancer survivors create their own personalized fitness programs; encouraging exercise, nutrition and stress management techniques as central to recovery and a continued healthy lifestyle; and offering support groups and program activities to help with the emotional and behavioral challenges associated with cancer survival. The World Bank's corporate fitness center already has adopted the "Back to Life" program with great success.

Other groups and individuals are doing their part as well. But, the truth is, no matter what any of us do, it cannot have a lasting impact if our nation's policies and laws are not aligned with our efforts.

So, members of Congress, we're looking to you. You say you're eager to show America you can get things done. Show us now. Pass bipartisan legislation that promotes healthy lifestyles and removes barriers to exercise so we can reduce obesity, slow the tide of cancer in America and cut avoidable health care spending. Do it together. But, don't wait. Do it now. Your constituencies are counting on you.

(Helen Durkin is the Executive Vice President of Public Policy for the International Health, Racquet and Sportsclub Association (IHRSA), a not-for-profit trade association representing health and fitness facilities, gyms, spas, sports clubs and suppliers worldwide.)



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Programming For The “Fun Of It!”

Breathe New Life Into Your Current Programs

By: Laurie Cingle, M.Ed.

Busy club staff often lack the bandwidth to continuously design and implement new programs. Here are ideas to breathe new life into your current programs:

Rename It. Simply renaming the program gives it a boost. People will perceive that it is new. Fresh marketing and new focus will infuse energy into an existing program.

Find A New Champion. Staff turnover or lack of staff focus is not an excuse for a program's participation to drop. Assign a new Program Champion responsible for its success and give her the freedom and support to make it her own.

Revamp the Prize. Choose something different than the tried-and-true t-shirt or logoed backpack. Keep expenses in check by offering club gift cards for services offered by your staff or a month of free dues. This will create excitement for participants and work to strengthen their commitment to membership.

Revise the Goal. The sky's the limit! Depending on the program, change any goal in any way: “points” to be earned, activities to be completed, physiological results tracked, etc. Change a just-for-fun program to a results-based one or vice versa.

Bring in a Guest Speaker for the Program. Invite a local celebrity, well-known medical professional or someone

who recently did something extraordinary that made the news. Find out who is doing an area book signing and contact him to stop by your club; have them do a talk to participants to either kick off the program or to boost motivation at the midpoint.

Add an Additional Service. Utilize the technology, amenities and tools your club has invested in --metabolic testing, nutrition tools, heart rate tracking/feedback systems, virtual exercise class systems, etc-- as a way to educate members on technology available to them. Incorporate services, such as personal training, nutrition consultations, massage and how-to sessions on amenities, such as a rock climbing wall, TRX®, and Pilates machines. These valued services should provide an experience that they might consider continuing in the future.

Draw for One Large Prize at the End of Every Program Offered! The purpose of this is: (1) to create excitement for program participants and (2) to create increased awareness of other programs, services and merchandise. Choose packages of personal training, nutrition, swim lessons, massage; pro shop items; several months of free dues; donations from businesses in exchange for listing their name in conjunction with the program, etc. All participants can qualify



Laurie Cingle

for the drawing of one or several prizes.

Breathing new life into your current programs will keep members and staff interested and enthused.

(Laurie Cingle, M.Ed., is a fitness business success coach, club consultant and a member of the Leadership Team at Akron General LifeStyles. Her specialties include creating successful club program champions through coaching, developing and operating non-dues revenue profit centers, establishing club market differentiation and designing programs that result in profit and retention. Contact Laurie at laurie@lauriecingle.com.)

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Thanks and Appreciation

At CLUB INSIDER, we are excited to be in our 22nd Year of this home-based health and fitness club trade newspaper! The thought that this newspaper was founded to serve an industry I truly love, and so that I could become a Mister Mom for my son, Justin, is still intriguing and amazing to us. I wish to extend our most sincere Thanks and Appreciation to everyone that's made this amazing run possible.

A very sincere Thanks and Appreciation go to Rick Caro, Dr. Gerry Faust and the Faust Executive Roundtable #1 for helping me decide in 1993 what my home-based business would be. Thanks and Appreciation to my long-time friends, Ron Hudspeth and Cathy Miller of Atlanta's Hudspeth Report for the tremendous assistance they provided us during our first 8 years of publication. Thanks and Appreciation to all of the folks at Walton Press in Monroe, Georgia. They've done an absolutely excellent job for us all these years and have printed every one of our 252 monthly editions! Thanks and Appreciation to all of our READERS. Sincere Thanks and Appreciation to our CLUB INSIDER Advertisers, past and present, for their kind and dedicated support of this publication. It's amazing to know that we have several advertisers with over 15 years of continuous advertising with us. Plus, we have one advertiser, National Gym Supply, with over 19 years advertising with us! We also want to say sincere Thanks and Appreciation to all of our CLUB INSIDER Contributing Authors, past and present, who've contributed hundreds and hundreds of excellent articles to help our readers with their Best Business Practices. Thanks and Appreciation to IHRSA for all it does.

Sincere Thanks and Appreciation to my son, Justin, who started working part-time for CLUB INSIDER when he was just 8 years old (helping with mailings). This young man, pretty much behind the scenes for 22 years now, has truly been a fantastic partner for his Dad in CLUB INSIDER. Justin does our editing, publication layouts, all of our website design and maintenance, all of our bookkeeping and subscription processing work, as well as archive management and anything else that needs doing, including writing eight cover stories per year.

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

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

Norm Cates, Jr.

3 million Xbox One consoles sold.
1 million Xbox Fitness users discovering MOSSA.
1 thousand happy health clubs running 4,000 MOSSA programs.



Rich Boggs, CEO of MOSSA
(fka Body Training Systems)

Cathy Spencer-Browning, VP
Programing & Training of MOSSA
(fka Body Training Systems)

Terry Browning, President of MOSSA
(fka Body Training Systems)

For over 25 years BTS (Body Training Systems) has been delivering innovative and popular products and group fitness programs for health clubs around the world. Xbox One has recognized our commitment to engaging club members and creating an exciting atmosphere that gets people moving and, more importantly, gets results. Xbox One wants the same things for its new Xbox Fitness. We have welcomed Xbox One's desire to get people healthy and fit, whether it's in the comfort of their own home or in our customers' gyms.

BTS, through Xbox Fitness, is proud to launch MOSSA. Call it a hipper, cooler, more relevant name than Body Training Systems, but MOSSA still comes with your longtime friends, our dedicated team, and our never-ending commitment to giving you the best group fitness programs on the planet!

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Secrets Everyone Should Know About ALS!

- Every 90 minutes, someone is diagnosed with ALS in the United States;
- The incidence rate is nearly identical to Multiple Sclerosis (MS);
- However, unlike MS, there are no effective treatments for ALS;
- Funding for ALS therapy development is urgently needed to move promising research forward.

Augie Nieto, the bravest man in the fitness industry, after eight years of not being able to move his arms, legs or breath on his own, is winning! His legs and arms are moving!

For anyone who has made \$1 in the fitness industry, we owe Augie Nieto, the trailblazer. Without men like him, we would not have an industry such as ours in which to thrive.

Augie brought the Life Fitness Company to the world!

All cardio grew from there.



Mike Grondahl

I know a little bit about today's industry, where 80% of usage comes from treadmills, bikes, ellipticals and arc trainers. Where I used to work just hit 5 million members and 700 units. Everyone in the fitness industry, from independents to chains and manufacturers, needs to show financial support.



YOU HAVE TO GIVE TO GET AND WHAT BETTER CAUSE!

THE GOAL

I asked Augie, "What is the most ever raised for ALS?"

He said, "\$6,000,000."

Then what should our goal be Augie? Knowing the answer any champion would give, he goes with, "\$6,000,001."

By March 14, 2015, we will raise \$6,000,001!



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