

Norm Cates'

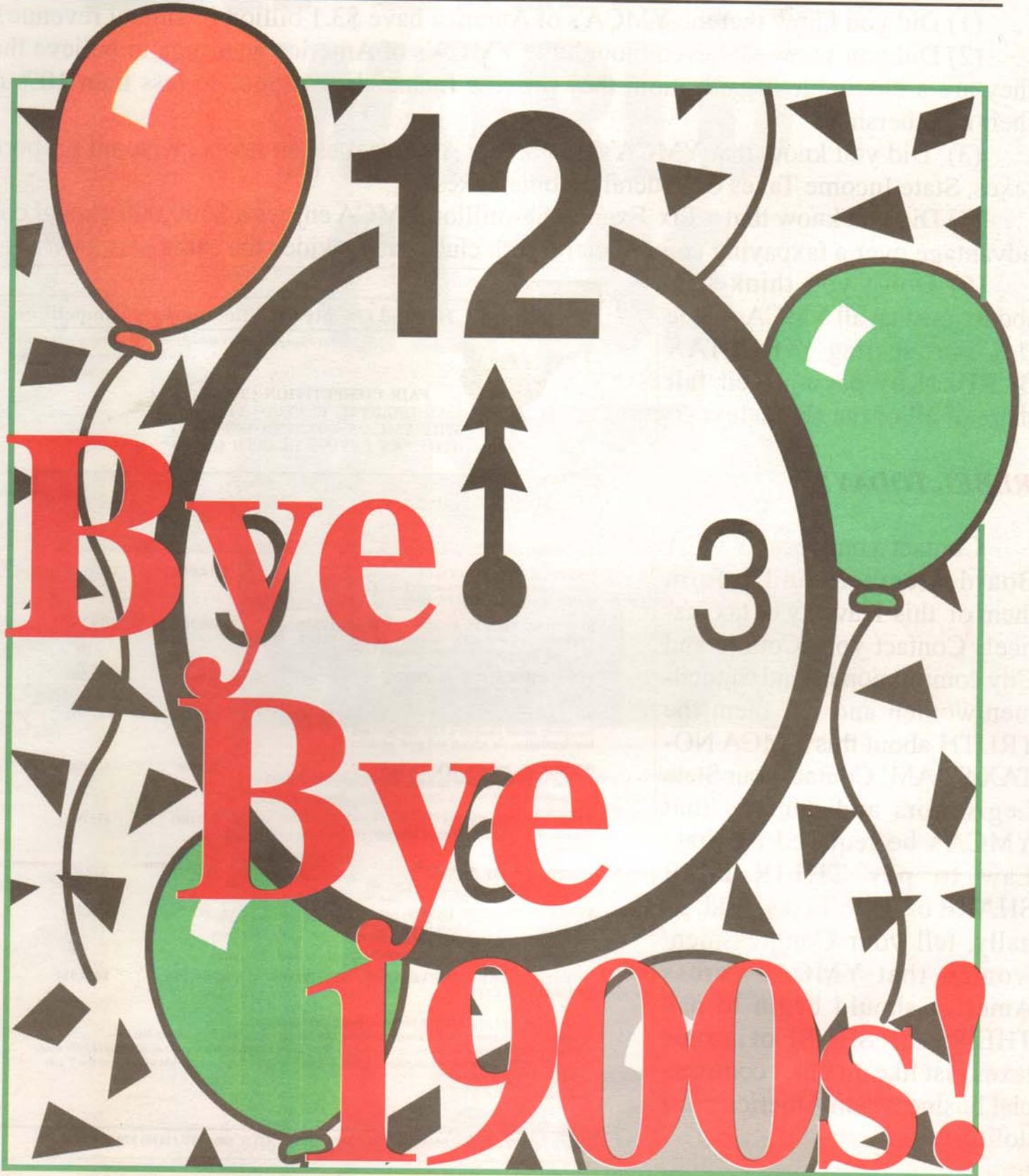
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ATLANTA, GA

THE Club Insider

NEWS

The Pulse of the Health, Racquet & Sports Club Business

© DECEMBER 1999
VOLUME VI NUMBER 12



CITIZENS OF AMERICA!

DID YOU KNOW THAT THE YMCA'S OF AMERICA ARE NOT PAYING THEIR FAIR SHARE?

- (1) Did you know that the YMCA's of America have \$3.1 billion in annual revenue?
- (2) Did you know that even though the YMCA's of America want you to believe that they are a charitable organization, they provide financial assistance to less than 10% of their membership?
- (3) Did you know that YMCA's do not pay ANY real estate taxes, personal property taxes, State Income Taxes or Federal Income Taxes?
- (4) Did you know that a Tax-Exempt \$5-million YMCA enjoys a \$600,000 annual cost advantage over a taxpaying commercial health club that provides the same services?
- (5) Don't you think it is about time that all YMCAs in the U.S. start sharing YOUR TAX BURDEN by paying their fair share of all of the above taxes?

REBEL TODAY!

Contact your local YMCA Board Members and inform them of this Travesty of tax justice! Contact your County and City commissioners and councilmen/women and tell them the TRUTH about this YMCA NO-TAX SHAM! Contact your State Legislators and demand that YMCA's be required by State Law to pay THEIR FAIR SHARE of State Taxes. And, finally, tell your Congressmen/women that YMCAs across America should begin to pay THEIR FAIR SHARE of income taxes just like all other commercial businesses in America must do!



Harford County Coalition for Fair Competition

*Tax Paying Businesses Working with Tax Exempt Organizations
To Build a Better Harford County*

FAIR COMPETITION CHART AN UNLEVEL PLAYING FIELD - WHY YMCA'S COMPETE UNFAIRLY WITH TAX PAYING HEALTH CLUBS*

	ANNUAL COST TO THE YMCA	ANNUAL COST TO HEALTH CLUBS	DIFFERENCE
LAND CARRYING COSTS Land valued at \$200,000 per acre; 5 acres (\$1,000,000, 15 yr. loan at 8% interest)	0	\$114,678	\$114,678
BUILDING MORTGAGE \$4,000,000 borrowed at 8% interest, 15 yrs. (Y receives 50% in contributions)	\$229,356	\$458,712	\$229,356
FURNISHINGS & EQUIPMENT \$400,000 borrowed at 9% interest, 5 yrs.	0	\$99,640	\$99,640
POSTAGE Non-profit sector receives a 33% discount and free distribution via schools and govt. agencies	\$6,600	\$10,000	\$3,400
PERSONAL PROPERTY TAXES (tax rate of \$3.65 per \$100 on \$400,000/40% assessed value)	0	\$12,000	\$12,000
REAL ESTATE TAXES (tax rate of \$3.65 per \$100 on \$5,000,000/40% assessed value)	0	\$73,000	\$73,000
STATE INCOME TAXES State tax rate of 7% on a profit of \$280,000	0	\$19,600	\$19,600
FEDERAL INCOME TAXES Federal tax rate of 22.25% on first \$100,000 and 39% on next \$100,000 - assumes \$280,000 annual profit.	0	\$92,250	\$92,250
TOTAL ANNUAL COMPARATIVE OPERATING COSTS	\$235,956	\$869,880	\$633,924

* Assumptions based on a \$5,000,000 health club project on five acres. As a result of its tax exempt status a non-profit organization like the YMCA can charge 25-50% less to its members than a tax paying health club. In the example above, a tax paying health club with a membership of 2000 would have to charge \$26.00 more per membership per month than the Y simply to cover tax and debt service costs that Y's do not have.

THE Club Insider

NEWS

The Pulse of the Health, Racquet & Sports Club Business

HAPPY NEW YEAR! 1999 In Review

By Norm Cates, Jr.

The 1990s ended with a year in the health, racquet and sportsclub business that was packed with important events. 1999 saw

more club consolidation activity than any year in the history of the business with 24 Hour Fitness and Town Sports International leading the way in club acquisitions and new club development. Bally Total Fitness experienced a terrific year, capped off by a very

positive article published in the November, 1999 edition of Barron's Magazine and Bally stock surging toward 30 again after a dip in the stock price this Fall. Supplier consolidation continued with acquisitions such as StairMaster acquiring Quinton

Treadmills wrapping up 1999.

This brief overview doesn't even come close to summarizing all of the big events and developments during this past year so, we've prepared a month-by-month 1999 In Review report for you.

JANUARY-1999

Judi Sheppard Missett and her Jazzercise organization were featured in our January, 1999 edition as Jazzercise began its 30th edition as Jazzercise began its 30th (See '99 Review page 5)

The CLUB INSIDER News Begins 7th Year!

By Norm Cates, Jr.

Lucky #7! Yes, this month we begin our 7th Year of Publication of The CLUB INSIDER News and I can tell you, I'm darned

glad to be here! What a trip. Next month we will be able to say we've been in publication in two centuries! But, seriously, it has been my honor publishing the most unique and most read publication in the health, racquet and sportsclub business in America!

People everywhere I go tell me they "read The CLUB INSIDER News first!" I appreciate hearing that and moreover, I appreciate the reason they make that statement to me. They tell me they know we print the news first and that we give them the REAL

STORY about what is happening. The fact is, I have a lot of fun publishing this newspaper for you. Sometimes the work is tedious and the hours can be long. But, it is interesting and enjoyable to do something that I really love and that is reporting the

news to you FIRST while it is still news and "Telling It Like It Is" as in the case of my letter to David R. Mercer, Executive Director of the YMCA of the USA that you will see on page #4. Thank you for reading The CLUB INSIDER News! And, be sure to STAY TUNED!

Joe Cirulli Elected President of IHRSA

Gainesville Health and Fitness Centers Owner To Head IHRSA In 2000-2001

OLANDO, FLA.- Mr. Joe Cirulli was elected President of

the Boston-based International Health, Racquet & Sportsclub Association (IHRSA) at the conclusion of the IHRSA Board of Directors December meeting at the Disney Institute in Orlando,

Florida.

Mr. Cirulli's one-year term will officially begin with the June 2000 Board meeting, when current President, Gale Landers, will assume the role of Ex-Offi-

cio. Cirulli was elected to the IHRSA Board of Directors in 1998, and has served as the chairman of IHRSA's Public Policy Committee.

(See Cirulli page 17)



Joe Cirulli

Inside The Insider

- Increase Retention By Giving Members Key Strategies For Sticking With Their Exercise Program
- Clubdoc's Corner
- IHRSA/Athletic Business Convention Photos
- IHRSA Capitol Reports
- Nutrition News From ADA

By Norm Cates, Jr.

Atlanta, GA.- If you have read The CLUB INSIDER News before you most likely have noticed our little ads which say: "MAKE IT FUN!"

Since the beginning of publication of The CLUB INSIDER News over 6 years ago,

Make It Fun By Learning From The International Association Of Amusement Parks And Attractions!

we have delivered this subtle "MAKE IT FUN!" message to you every month. We have done so because of our firm belief that if you "MAKE IT FUN!" for your members to come to your club and fun for your staff to work there with and for your members, your club will be much more successful over the long haul.

If you are sitting there saying to yourself, "How can I

make my gym fun? Working out is hard work and not much fun!", then I say to you: READ ON!

In November IAAPA, the International Association of Amusement Parks and Attractions held its annual convention in Atlanta. Over 30,000 people from around the world attended. There were over 1200 exhibits at the huge 500,000 square-foot trade show

(See Make It Fun page 8)

THE INSIDER SPEAKS

• EDITORIALS • "INSIDER MAIL" • COMMENTS •



YMCA
We build strong kids,
strong families, strong communities.

November 15, 1999

Mr. Roger Ralph
658 Boulton Street
BelAir, Maryland 21014

Dear Mr. Ralph:

Thank you for your letter of October 21. On behalf of the YMCA of the USA, I am responding.

I believe you may not be aware of the fundamental difference between for-profit enterprises and not-for-profit organizations. YMCAs are volunteer-founded, volunteer-led and community based. The assets, the facilities, the staff, the programs - everything is determined by each community and belong to the community. Therein lies the difference. Therein lies the law that provides tax-exempt status based on benefit to community - all communities. As the IRS says in its guidelines to its agents, the fact that there is a for-profit company providing even a remotely similar service is "irrelevant."

There are for-profit hospitals down the street from non-profit hospitals. There are for-profit schools in neighborhoods with non-profit schools. There are for-profit child care centers across the street from non-profit child care centers. What you are asking - and as a former YMCA staff member you must be aware - is for the YMCA to change its 150-year-old mission of serving communities, including the health and fitness needs. We can not.

I wish your business well. I wish the industry well. But please understand that our mission is very different from IHRSA's, or its members.

Sincerely,

David R. Mercer
National Executive Director
YMCA of the USA

YMCA of the USA • 101 North Wacker Drive • Chicago, Illinois 60606
312-977-0051 • toll free: 800-872-9622 • fax: 312-977-9063 • http://www.ymca.net

YMCA mission: To put Christian principles into practice through programs that build healthy spirit, mind, and body for all.

These sentiments demean all of us in the health club industry who care about our communities, our employees, and social issues. I do not wail, nor am I a weeper without visions or dreams of a better society for all. Neither is any other club owner I know. In fact, little difference exists between the attitudes and values systems of most taxpaying health club personnel and most y personnel. We all want to improve the body, mind and spirit of our members and employees, and have a positive impact on our communities. In fact, I used to work for the YMCA and share these values.

Business Has A Responsibility To The Communities It Serves

Like many of my colleagues in the taxpaying health club industry, I believe business has a responsibility to the communities it serves. Most health club owners are also active members of community organizations. They are Rotarians. They serve on local Boards of Education in their communities. Your characterization of all health clubs operators as malcontents concerned only

about money is not only cartoonish, but it is also harmful to the country, to the YMCA wonderful volunteer spirit, and to the YMCA movement as a whole.

Derisive Tone Hurts the YMCA

This derisive tone of the Y's national leader and spokesperson, and your apparent refusal to sincerely consider the legitimacy of the fair competition issue will eventually hurt the YMCA. As someone who shares the stated ideals of the YMCA, this is troubling to me.

Over the past eighteen months or so, our industry leaders have noticed that the YMCA's new public relations strategy seems to employ three specific tactics.

- First, attack the taxpaying health club industry.
- Second, emphasize the differences between Y's and taxpaying health clubs, even if the differences are insubstantial. (This may play well in the press. Nevertheless, I think Editor Stephen Kendall, in the April 1998 issue of YMCA Perspective, was far more honest about the new Y's that keep popping up in corporate

malls and affluent neighborhoods. "...those pesky health clubs just won't go away. Worse, there isn't much difference between fitness the "Y" way and fitness the health club way. We just haven't been special. If the fitness market was huge, this wouldn't be a problem. Y's and health clubs could share the market and everybody would be very successful. But we all have been selling to a limited market - the small minority of Americans who exercise regularly."

•Third (and most disturbing), claim that the national YMCA has no influence over local Y's. Claim that local Y's are simply responding to the desires of the community.

If we can put the rhetoric aside for a moment, I suggest that the leadership does affect Y programs locally. Every organization knows it is the leadership that establishes the vision, culture, strategy and tactics of the organization as it fulfills its dreams. You and your successor, along with current Board members, establish the direction and tone of the organization throughout the country. Rationalizing away legitimate issues by claiming your hands are tied is an abdication of

true leadership, a cheap way to deal with those "pesky" health clubs. This tactic begs the most critical question of what the YMCA should be in the new millennium.

The Proper Role of the YMCA

I can't say this strongly enough: In no way am I critical of the many valuable programs for which the Y so richly deserves support. There is a vast difference, however, between true charity and a program of facility construction targeting those who can afford a health club.

Whether or not the YMCA pays property taxes is far less important than what Y Boards and communities everywhere believe is the proper role of the YMCA. There is a direct correlation between the basic economic condition of individuals and families and core quality of life issues: health status, education level, drug usage, crime levels, teen pregnancy and frequency of exercise. This is a conclusion reached by nearly every social scientist, social worker, educator, health club professional, mental health professional and religious leader. It is irresponsible (See Roger Ralph Letter page 7)



Mr. David R. Mercer
National Executive Director YMCA of the USA
101 North Wacker Drive
Chicago, IL 60606

December 17, 1999

Dear Mr. Mercer,

I received copies of the letter from Roger Ralph to you dated October 21st and your response to Roger, dated November 15, 1999.

Mr. Mercer, I don't think you are telling the truth or perhaps you don't understand the true reality of the situation. Your written effort to convince Roger that local YMCAs are autonomous and not directed by you and your Board is specious at best. Otherwise, Mr. Mercer, why and how could you earn in the neighborhood of \$250,000 per year? If all YMCAs are volunteer founded, volunteer-led and volunteer and community-based, what do you do for a living Mr. Mercer?

Let's be honest. Your YMCA of the USA is now NOTHING LESS than the largest commercial health club chain in America. Pure and simple. Your organization lost its focus on charitable work decades ago. You know it. We know it. The people that don't know it are those good intended citizens across America that still serve on your local YMCA Boards, the city and county commissioners, state legislators and U.S. Congressmen and women that still allow the YMCA to get away without paying its FAIR SHARE of taxes in America. The YMCA might have had a pure mission decades ago, but it got lost along the way. Let's face reality.

Mr. Mercer, Roger Ralph is one of the brightest minds in the history of the commercial health, racquet and sportsclub business. His appeal to you in his letter was well conceived, well founded and articulately written. Your response to his writing was nothing more than clear evidence of your personal desire to protect your own job, that of protecting the NO TAX SHARE called the YMCA!

My friend Roger Ralph is the Mr. Nice Guy in our industry. I am not. I am here to tell you now that we are coming after your free ride. Starting with the full-page ad you will see on page #2 of the enclosed December, 1999 edition of THE CLUB INSIDER News, we are going to start a grass-roots movement in all of the 13,125 commercial health clubs in America to expose your YMCA's free tax ride and to take it away. This full page ad will be mailed to the owners of every for-profit commercial health club in America. They, in turn, will be asked to display the ad in their clubs and copy and distribute the ad to the local Y Boards, city and county commissioners, state legislators and the U.S. Congress.

Mr. Mercer, you would have been wise to have accepted Roger's civilized and simple request to meet. You might have learned some things that would save the Y.

Very sincerely yours,

Norm Cates, Jr.
Norm Cates, Jr.
Publisher and Editor
THE CLUB INSIDER News
1st President and Co-Founder of IHRSA-1981

cc: YMCA Board of Directors
IHRSA Board of Directors
Mr. Roger Ralph
Mr. John McCarthy

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October 21, 1999

Mr. David Mercer
Executive Director
YMCA of the USA
101 North Wacker Drive
Chicago, Illinois 60606

Dear Mr. Mercer,

After reading a quote in the August issue of The Non-Profit Times, I could hardly believe my eyes. You were commenting on a decision by a Tennessee official that recommended the revocation of tax-exempt status for parts of 13 YMCA facilities. You were quoted as follows:

"YMCA's are committed to serving the whole person and the whole community and there are those without such a mission who see the YMCA as a threat to their recent, wholly commercial enterprises. New on the scene, their vision is to weep and wail when YMCA's serve the community in a much more meaningful and holistic way than they can dream of."

• NORM'S NOTES •

Here we go with our 7th Year of Norm's Notes! Thanks for reading!

•Congratulations to **JOE CIRULLI**, owner of the **Gainesville Health & Fitness Clubs** as he was elected to become the next President of IHRSA. Joe will begin his term as President next Summer when current IHRSA President, **GALE LANDERS** takes the role of Ex Officio President. Joe will be IHRSA's 20th President and will be in office when we celebrate IHRSA's 20th Anniversary in San Francisco in March, 2001!

•The **CITIZENS OF AMERICA** ad on page #2 is tied into the three letters shown on page #4 of this edition. Here is the story. **ROGER RALPH**, President and Founder of the world-class **Bel Air Athletic Club** in Bel Air, Maryland wrote a letter to the **Executive Director of the YMCAs of America**, **David Mercer** requesting that Mr. Mercer meet with Ralph and other IHRSA members to discuss both opportunities and issues that exist between YMCAs and commercial health clubs in America. Roger's letter begins on the bottom of page #4 and continues on page #7. Mercer's response is shown on page #4 along-

side a letter that I wrote and sent to Mercer along with a copy of this issue of **The CLUB INSIDER News**. Here is how you come in on this deal. If you want to get on with this fight with the YMCAs of America and do the things necessary to eliminate the YMCA's NO TAXES SCAM, do the following: (1) Make copies of the full-page ad. (Its O.K. to shoot it at 80% if you want and distribute them to: (a) Local YMCA Board Members. (b) Local city councilmen and women. (c) State legislators. (d) U.S. Congressmen/women (e) All of your members. (2) Post the FULL PAGE AD in a prominent place in your club and leave it there. Since it is obvious that Mercer, "speaking for the YMCA of the USA" has no interest in peaceful co-existence, now is as good a time as any to get on with this fight and get it over. It will be a marathon not a sprint and will take all hands on deck to get the job done. Remember, the first shot was fired by Mercer!

•**COACH LOU HOLTZ**, the **Head Football Coach of the University of South Carolina**, gave a terrific speech at the IHRSA/Athletic Business Convention in Orlando, December 3rd. Coach Holtz delivered a terrific message that inspired the entire crowd and was laced with great hu-

mor. The amazing thing about this speech was that here was a man speaking to a crowd of over 2,500 about what they need to be a success in their life, who was facing some of the toughest times in his life. He was wonderful. He was incredible. His mother had just passed away 3 weeks before, his wife **BETH** has been battling cancer for the last year and his first football team at the University of South Carolina, had just finished with an 0-11 record! Lou Holtz is an amazing man. He has been a Head Coach at William and Mary, North Carolina State, Arkansas, Minnesota, the New York Jets, Notre Dame and the University of South Carolina, and he has delivered winning records at every school. Coach Holtz coached the Notre Dame Fighting Irish to a National Championship in 1988. Coach Holtz' message contained 6 key points for success: (1) We must develop a proper and positive attitude. (2) We must take pride in making a sacrifice willingly in order to succeed. (3) We must understand what we are trying to do. What is our purpose? (4) We must have a dream, a goal. (5) We must develop a commitment to reach our goal. (6) Show people you care. Share a kind word when you can." I would bet money on Lou Holtz' chance for bringing a

positive ways and listed a number of items that were surprising to many of my long time industry friends. That list included: installation of physical therapy in some BTF clubs, developing a retail line of nutritional supplements to be marketed in BTF clubs, Co-branding of Mastercards, the institution of a Sports Medical Advisory Board, a deal with Time, Inc. for distribution of a variety of magazines in BTF clubs, an agreement

with Sports Display, Inc. for in-club advertising/bulletin boards, installation of chiropractic services in some BTF clubs, a huge capital improvement investment to overhaul and/or re-equip 250 of BTF's existing 320 clubs. After meeting with Lee Hillman's Executive Management Team and a full day at the Bally Total Fitness headquarters, I recom-

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DEDMAN FOUNDATION has donated \$7 million to **Florida State University's Graduate School of Business** and the funds will be focused on the hospitality and golf management curriculum. Also, **Pinehurst, Inc.** a subsidiary of **ClubCorp**, has given \$500,000 to the **Boys and Girls Clubs of Moore County**.

•**MARK SMITH** and **BOB GIARDINA** of **Town Sports International** have TSI hitting on all cylinders! For the 12-month period ending September 30, 1999, TSI revenues rose 51% from \$98.2 million to \$140 million. TSI now has 83 locations in operation.

•**KENT LEHNHOFF**, **Gold's Gym Investments, Inc.** Vice President of Franchising has announced that the **Legends Group** in Atlanta have made commitments to build 9 more Gold's Gyms in the Atlanta area. **GORDON JOHNSON** and the **Legends Group** are a terrific bunch of guys and have a great plan that seems to be working well.

•**RUDY SMITH** has announced that he is going to build two new clubs in Las Vegas to go along with the 4-club, 50,000-member group he already has in place. Rudy's **Las Vegas Athletic Clubs** recently were honored by the **Las Vegas City Life News** as being the "Best of the Valley."

•**THE ROBERT J.**

mended to my IHRSA friends that it would be a good time to revisit the possibility of IHRSA membership for Bally. My suggestion was not a complete endorsement of the idea, but instead, simply a suggestion to my IHRSA friends that I thought that maybe now IHRSA and the industry in general would benefit if BTF were a member of IHRSA. At the IHRSA (See '99 Review page 18)

... '99 Review

continued from page 3

year of operations. Jazzercise now has over 4800 instructors in 38 countries around the world and provides 20,000 classes weekly to their nearly half million students.

•**Nautilus Sports Medical Industry** was purchased by **Direct Focus, Inc.**, the makers and sellers of **Bowflex Exercise Equipment**. **Direct Focus, Inc.** CEO and President, **Brian Cook** denied rumors that **Nautilus** would cease manufacturing commercial equipment and that they were going to close the Independence, Virginia factory.

•**Club Sports International** was rumored to be negotiating the acquisition of the 7 **WellBridge Fitness Centers** owned by **Monsanto**. The rumor was confirmed later when the deal closed.

•More rumors fly as **Crunch Fitness** of New York City enters into discussions to acquire **Sportlife's** 6 Atlanta area clubs. **Doug Levine**, owner of **Crunch Fitness**, projects **Crunch's** 1999 revenues to reach \$64 million.

•**Tony deLeede**, owner of **Australian Body Works** in Atlanta opened his 20th location.

February-1999

•**Bally Total Fitness** - Then and Now was our Cover Story for the February, '99 edition. In that

Norm Cates' **THE Club Insider NEWS** Established 1993

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PRINTING AND MAILING SERVICES: Walton Press

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Increase Retention By Giving Members Key Strategies For Sticking With Their Exercise Program

By Casey Conrad

Retention: it is one of the biggest buzzwords of our industry right now. With good reason! Unless a club can stop the flow of members out the "back door" new sales only replace lost members and the club's membership base doesn't grow, either does the revenue. But exactly what is "retention?" Some people think retention is the number of members who continue to renew their club membership year after year. Although that may be the case from a purely revenue based perspective, as an industry retention goes a lot deeper.

To get technical, Webster's Dictionary defines retention as the "Power or capacity for retaining." Retaining means "To hold or keep in possession; to continue to prac-

tice and use." I propose that from a club operator's perspective, retention should be seen as the ability to keep members through regular use of the facility - not just because they haven't canceled their membership yet.

So, simply stated, retention is all about usage. Certainly there are a number of factors that will affect usage - cleanliness of the club, friendliness of the staff, environment of the facility, integration into the club, etc. When it is all said and done, however, the bottom line is that most individuals will not continue to pay money for something they are not using.

Therefore, the key to increasing retention is getting members to regularly use the facility. In fact, after extensive research over the past few years it has been discovered that if a club

can get someone to use the club an average of 1.8-2.0 times a week, the chances of their continuing as a member greatly increase.

So, the 10 million-dollar question is how do you get members to use the club more? Research by a number of prominent behavioral psychologists who study what makes people change their behaviors identifies that an individual must go through six specific stages in order to permanently integrate a new behavior. This model applies to everything from stopping smoking to changing one's dietary habits to becoming a regular exerciser. The stages are as follows:

Stage 1 is Pre-contemplation. In this stage an individual isn't even aware that they should or need to change their behavior. Contemplation is the second stage and this is where an individual becomes aware of the need to change but his self-talk only suggests that he "should" change, not that he will. The third stage is Preparation. In this stage an individual not only recognizes that he needs to change but also begins to formulate plans for how he will change. Stage four is Action and it is exactly how it sounds; an individual makes the commitment to change by throwing the cigarettes away, by beginning the diet, by joining a health club, etc. Stage five is Maintenance and in this stage an individual must fight to maintain his new behavior, it is a conscious effort and is difficult to stick to. The final stage, six, is Termination. This is where the individual has successfully integrated his new behavior and the chances of his reverting back to old habits greatly diminish.

As it relates to retention, stage five, Maintenance, is where the important work begins. For it is in this stage that a member must be given specific tools and strategies for successfully sticking with his new exercise program. Through a number of the different research projects and publications, a study was done by Jamie Fairley at the Courthouse Plus Club that identified 10 key factors that positively impact a new member's ability to stick with an exercise program. Each of these factors plays an important role in helping a member take responsibility for his role in creating a new behavior. From the study a tape program entitled "Discovering the Ten Secrets to Sticking With Your Exercise Program" was produced. Here are excerpts from that tape regarding each one of the 10 secrets.

Secret #1: Help Mem-

bers "See Them-selves" As An Exerciser.

The IHRSA Vanguard Study, conducted by Dr. Christine Brooks, discovered that the #1 reason people don't even walk into a health club is that they don't believe they will "fit in" and that everyone at the club is a hard-body running around scantily clad. A new exerciser sees himself "different" than everyone else. Perhaps they have negative memories of themselves being the last one chosen for the kick ball game or being uncoordinated in gym class. Whatever the root of their concerns are, the fact is that if a new member doesn't quickly feel comfortable in the club, the chances of his continuing greatly diminish. Therefore, it is important to change a new exerciser's paradigm regarding how he "fits into" the club.

Perhaps the most important place to begin discussing this issue with a new exerciser is on the tour, prior to his joining. One way to do this is to have the salesperson bring it up in his conversation. "You know, John, many of our new members say that prior to coming into the club they expected everyone in here to be a "hard body," and they were concerned that the club wouldn't have a program suited for them. Was that a concern of yours?" Once the customer replies (and they usually say, "Yes,") the salesperson can follow up. "Now that you are in here and can see the diverse membership base that we have in terms of age, size and fitness level, how much more comfortable do you feel beginning an exercise program?" As simple as it sounds, a conversation like this will help the new exerciser to "see" the diverse membership and begin to feel more confident that they will fit into the club.

Secret #2: Help New Members Manage Their Time.

Of course, time is one of the most frequently heard objections by both existing members who are not using the club as well as prospects who are justifying why they shouldn't spend the money and join. The bottom line is that exercise, like any other new behavior, will take time to integrate into one's daily routine. That means a concerted effort will have to be taken to make it a real habit. Research has shown that if an individual makes plans as to exactly when he will exercise, AND writes it down, he will be more apt to stick with the schedule. This makes it relatively easy to help a new member manage his time. During the tour with the



Casey Conrad

salesperson (which will help overcome the time objection before it comes up) or later with the fitness coordinator on their first workout, every new member should make a schedule of workouts for himself. Simply have blank, one-month calendars in each department. With the blank calendar in hand have the employee walk the new member/prospect through the following time management exercise.

"John, studies have shown that people who actually carve out a schedule of workouts for themselves are much more likely to stick with their exercise program than those individuals who just try to make it in "when they can." That makes sense, doesn't it?" Great, so if you were to say there were two days a week that you can absolutely commit to getting in for a workout - just as if it was an important appointment - what two days would that be? Okay, what time of the day would you be coming in, morning, afternoon or evening? (Then pin them down with an exact time) And, how much time will you be able to commit to your workouts, 30, 45 or 60 minutes?" Finally, if you needed to choose a third day that would either be an additional workout or a back-up day in case something came up on your two primary days, what day would that be? (Then get exact times and amounts of time.) Now, looking at these times you've given me, as I have them written on this calendar, is this realistic for you?"

Again, this isn't a difficult process to do. In fact, it is quite basic but the psychological process of having the customer externalize their commitment, your writing their times down on the calendar and then handing them that calendar to put up on their refrigerator is powerful. Not only will it greatly reduce the chances of a prospect

(See Casey Conrad page 8)



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...Roger Ralph Letter

continued from page 4

for any charity whose focus is community development and service to ignore this reality. What will be the actual allocation of the Y's energies and resources over the next 100 years?

A Waste of Resources

With the growth of quality health clubs that have a broad community orientation, the Y no longer needs to build capital-intensive, large-scale fitness centers in neighborhoods that can support a market-based, taxpaying health club. Some Y representatives argue that to abandon this strategy is to go broke. If this were true, the Boys and Girls Clubs of America and the Salvation Army would be declining rather than thriving organizations. The health club industry continues to challenge the legitimacy of the YMCA's tax-exempt privileges when specific Y's function primarily as health clubs. The Y has won some of these legal battles, and we've won others. Doesn't it strike you that this wrangling through the court systems, and with local tax assessors, ultimately wastes energy

and resources? Doesn't it inhibit the development of mutual understanding and productive relationships? Can we not think more imaginatively than we have in the past? Can we not pool our resources and work together? I suggest that the perceived distance between our "official" positions is an artificial obstacle, exacerbated by a needless lack of goodwill.

If the challenge to its legitimacy continues, the Y has everything to lose, and nothing to gain. Support of the Y is based on the broad public perception of the Y as a neighborly charitable group. The public has the impression that the Y primarily serves the disadvantaged. When facts refute the perception, public support weakens. When people learn that the Y, with \$3.1 billion in annual revenues, provides financial assistance to less than 10% of its membership, they are surprised. When they learn that some YMCA's don't think twice about building \$5,000,000 facilities in the wealthiest communities (such as Reston, Virginia), they are surprised. When they learn that the tax-exempt Y, on a \$5,000,000 facility, enjoys a \$600,000 annual cost advantage over a taxpaying health club (see Fair Competition Chart), they are surprised. I can

tell you from personal experience that donors to the Y are simply unaware of these facts. When they hear another point of view (usually for the first time), they question the appropriateness of their donations.

Building a Spirit of Trust that Replaces Suspicion

My hope is that the Y leadership will work with the health club industry in the century before us, cooperatively and constructively, to build a spirit of trust that replaces the suspicion and skepticism that now exists on both sides. As we begin this new millennium, the leadership of the YMCA and the International Health, Racquet and Sportsclub Association (IHRSA) should chart a course together. We should strengthen our respective abilities to serve our communities in ways that are complimentary and aligned, rather than in conflict.

Why shouldn't there be joint projects between YMCA's and taxpaying health clubs? Why not work on issues where partnership will provide better programs for the community than other wise possible? These could, for example, include self-esteem pro-

grams for teens; joint staff training for before and after-school care services, on site and off; community-wide health promotion programs; support by IHRSA clubs of specific Y programs, projects and facilities; teen programs at taxpaying health club sites in instances where the Y's youth programs could better serve the community, and the like.

As the taxpaying health club industry matures, many of its players are already building facilities and providing services that are much more than health clubs. This development should be encouraged. My dream is that what the Bel Air Athletic Club does now will be done in the future by many more health clubs. (I've attached some additional information about the Bel Air Athletic Club.) They will truly become taxpaying community centers for the areas they serve.

Forging a New Model of Cooperation

That there are so few models of cooperation to cite is the failure of both organizations. Let's change this. Only leadership from the Boards of the YMCA and IHRSA can realize this dream. What could be more appropriate

in the year 2000 than the Y and the taxpaying health club industry jointly convening a leadership summit? Let's educate each other about our mission and activities, sincerely discuss areas of conflict, and identify areas of cooperation. Let's embark on a long-term strategy to use resources wisely. This can only improve the quality of life for all American's, while strengthening the YMCA's ability to fulfill its worthy mission.

I invite you to visit with us here in Bel Air

Sincerely yours,
Roger S. Ralph
President

Cc: YMCA Board of Directors
IHRSA Board of Directors
The Non-Profit Times

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P.S. It's hard to grow a business and waste money at the same time.

New Year Resolutions Show In Health Clubs

Relevant Percent of Club Members Will Join in January

Boston, MA.— This January, health and fitness clubs will see an influx of new members all looking to fulfill their New Year's resolutions to get fit, lose weight, and tone up. Eleven percent of all people who will join a health club will do so in January, accord-

ing to Profiles of Success, the International Health, Racquet & Sportsclub Association's (IHRSA) annual industry data survey of the health club industry.

The study indicates that clubs will generate just over 28% of their total membership sales during January, February, and March, mak-

ing the first quarter the busiest of the calendar year for the industry.

Consumer research conducted by American Sports Data, Inc. for IHRSA, discovered that the top five reasons health club members exercise are: for weight control, for increased energy, to develop muscle tone, to

feel good afterward and to improve their cardiovascular condition. Significant percentages of club members also indicated stress reduction (79%) and improved self-esteem (74%) as motivations for exercise.

Currently there are 29.5 million health club members in the U.S. — an all-time high — and in-

dustry revenues are estimated at about \$10.6 billion.

For more information on how to choose a club, demographic information on health club members, industry growth statistics, tips to sticking with an exercise program and more, open the attached document.

...Make It Fun

continued from page 3

and about 50 training sessions provided for the attendees. Training sessions included: "Teen Power" and "How To Make All Guest Experiences Entertaining." Other related training sessions that could be applied to our business included: Certified Pool Operator Class, Training the Trainer Course and the Amusement Facility Management School.

The exhibits were vast and included all kinds of electronic entertainment developments and a huge variety of signage alternatives for both fixed signage and special event promotions. The 'Soft-Play' exhibits offered a great variety of opportunities for club owners that want to beef up their environments for kids.

Athletic exhibits included several huge rock climbing walls, a miniature ice hockey arena, golf domes, miniature golf courses, laser tags systems, high-tech swimming pool filtration systems, a 5-sport Multi-Sport Stadium with soccer, hockey, basketball, football and baseball.

There were facility decorating companies like Preserved TreeScapes International, a large number of design/architectural companies, several equipment leasing companies, insurance companies, tent and canopy companies, locker companies, pool decks and pool furniture companies, jogging tracks, water parks, a variety of printing companies and a large variety of companies with promotional cards and private label cards.

In short, this convention and trade show is a terrific way for

you, as a club owner/operator, to "look outside the box" with respect to your club's offerings. Your imagination can just run wild when you are there and I guarantee that any club owner/operator will find some things that they will bring home to their club.

The next IAAPA Annual Convention and Trade Show will be held in Atlanta, Georgia, November 15-18, 2000 and I would highly recommend it. In the mean time if you want to reach IAAPA to obtain literature on their Association and terrific exhibitors go to: www.iaapa.org or fax your request to: (703) 836-4801 or write to: The International Association of Amusement Parks and Attractions, 1448 Duke Street, Alexandria, VA. 22314.

...Conrad

continued from page 6

giving the salesperson the "I don't think I'll have the time" objection, but it will give them a plan to follow while they begin to make a new habit.

Secret #3: Help New Members Create Positive Associations Towards Exercising. Earlier on secret #1 we talked about how many people do not think they will fit into the environment at a fitness facility. Often this is because the person has a negative association towards exercise. An association is a neurological response in the body based on a thought in the brain. For instance, you may think of an individual and get a smile or an overall good feeling. Likewise, you may think of

another person and become mad or disgusted. As human beings we make associations with everything, including the process of exercising. Many people have negative associations towards exercising either from a bad childhood experience or something that happened later on in life. Regardless of the root of the association, if someone has negative responses in their body simply from the thought of exercising, he will not look forward to participating, hence, he will find reasons not to go to the club.

Of course, associations can change. Think of members who were intimidated, non-exercisers when they came to the club and now are your most loyal and avid exercisers. Through positive experiences at the club, they created (See Casey Conrad page 13)

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Clubdoc' Corner

By Mike Chaet Ph.D.

The following questions, issues and situations are commonly brought up during my visits with clients around the globe. The Clubdoc's corner is designed to share my solutions with you as well as to challenge you to come up with solutions of your own.

Q. What marketing strategies do you recommend?

A. We believe in an integrated approach to marketing combining internal promotions with external promotions all being capped off at the end of the promotion, before the next one starts. There are 5 or 6 marketing seasons that this strategy must be tied into starting with the Fall, holiday season, Winter, Spring and Summer.

For complete details in marketing I suggest you review our book entitled, "How to Manage Your Club for Maximum Profit." There are several complete chapters on marketing strategy. One word of warning though is that there is no magic marketing bullet. Marketing success must be measured over a long period of time, similar to long term growth in the stock market.

Q. How does the nuclear family fit into your marketing plans?

A. The implications of the nuclear family are simple, the Baby Boomers are the, 50 plus segment. We better have a suitable product for them. Fitness has changed from high impact to non impact. We must keep up with this huge market segment, or perish. Their children are not tuned into clubs as of yet. It will be our job

to get a handle on what they want and figure out how to deliver it. As I look at the X Games and Gravity Games, skateboarding and flying bicycles, I wonder about this group.

Q. How would you differ your marketing approach to interested vs. non-interested prospects?

A. Interested prospects are simple to sell memberships to. Get them through the front door and the job is 90% done. Trial memberships, guest passes, and special events work quite well here.

Disinterested parties are the real challenge. Many are fearful of clubs or even think they must get in shape before they join a club. The best way to reach them is to have offsite events or seminars on weight loss or other health-related issues. Walking events work well with this group. A follow-up invitation to the club with a non-commitment program is appropriate here.

Q. How would you vary marketing strategies?

A. A strategy of "rotating" marketing strategies seems to work the best. Doing the same thing all of the time tends to get stale and seems to send the message out to the same people all of the time. By rotating media, messages, and graphic look you get your message out to a broader spectrum of people. Kind of like being in a parade.

Q. Do you prefer internal or external marketing?



Mike Chaet, Ph. D.

A. As I said before, internal and external must be used together. The member referral program is much more effective when the sponsor has a strong external program to offer their friends. As a matter of fact, using them together is one of our cardinal rules.

Q. What would you suggest club operators do during a recession?

A. We love recessions in regards to making strong strides forward in the club business. The first thing most people do is cut advertising during a recession. We advise our clients to double their advertising. We also suggest the product (memberships) be sold on the basis of being a great value. What else can you do every single day for about a dollar, or so each day? What a great value.

Many of our clients have been able to buy out their competition during a recession for 10% of the value. At the end of the recession, they are stronger than when they went in.

Q. What is your prognosis for smaller clubs (2000 sq. feet)

A. If a club is the only club in a market it may be okay for a while. If it has heavy competition I don't see a future for it. There are many clubs opening in the U.S. that are this size. I predict they will disappear in a few years because there is not enough real profit in this size club. In emerging fitness markets (such as outside the U.S.), they will be okay for awhile.

Q. What are your thoughts on choreographed group exercise classes such as Spinning, Cardio Kickboxing, and Body Pump?

A. I think the group activity class is a strong product. It allows the member to be part of a program and enjoy their exercise without giving it much thought. It also gives them the opportunity to be part of a group. The program director must keep the class content new and exciting. People want new and exciting ways to get in shape and are bored easily. As long as the exercise principles are sound and the people like it I'm in favor of it. It gives the club a new product to sell new members and a way to keep existing members happy.

(MIKE CHAET is President and CEO of Club Marketing & Management Services Inc. a club consulting company located in Helena Montana. Mike is considered by many to be one of the leading consultants in the industry and has received many awards for this work. To contact Mike, you may call him at (406)-449-5559, fax at (406) 449-0110, or visit his website at cms-clubweb.com. To receive Clubdoc's free monthly newsletter, simply send your email address to clubdoc@cms-clubweb.com)

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...Conrad

continued on page 8

positive associations. In order to help new members who might have negative feelings about exercise create positive associations. It is important that their initial visits to the club are wonderful experiences. This means that clubs need to insure that new members are given extra care and attention during their initial visits, even if it means a higher payroll expense! From one-on-one equipment orientations to club orientations to activities and parties that are less focused on proper workouts and more focused on socialization, clubs need to be creative and committed to a positive integration for every new member.

Secret #4: Help Members Establish A Support System. Behavioral change research clearly establishes that one of the most important components to successfully changing one's behavior is having a support system. A support system can be anything from having a buddy to work out with to simply having the emotional support of family and friends. Although when noted this secret seems obvious, it is one that few new members think of until difficulty in sticking with their program arises. In an effort to get them off to a good start, it is important that you discuss this component with every new member so they can take appropriate steps. Perhaps they will want to talk things over with their family or significant other. Maybe, they will want to find a friend to work out with or they might want you to help them find a workout partner at the club. Regardless of what support system they decide upon, it is the club's responsibility to educate members on the need to establish one. Make sure that both salespeople and fitness staff has the appropriate information and tools to assist members with this secret.

Secret #5: Help Members Individualize Workouts. Although many people working in our industry enjoy working out, the average person doesn't enjoy exercising; he exercises because he wants the results. Because it is human nature to avoid what you don't enjoy, one way to help new members make their exercise program more enjoyable is encouraging them to individualize a workout to their personal tastes. For instance, asking a new member, "If you were to go outside today to do an activity, what would you prefer to do, take a walk, a jog, a bike ride or climb a mountain?" will identify which type of cardiovascular workout they should gravitate towards. Asking a member if they prefer to participate in group or individual activities can help to direct them to either group fitness activities or personal workouts. Finally, after a general club orientation, asking a member "From everything that you have seen about the club to date, if you knew you could get a great workout by doing anything you liked here, what activities would you choose. Although this may sound a bit strange, clubs need to be less concerned with "what" a new member does at the club and more concerned with helping the member do things that they will enjoy, thereby assisting them in creating more positive associations to exercise.

Secret #6: Help Members Set Realistic Expectations. A common reason that people end up dropping out of a new exercise program is because of discouragement. Through a variety of "wonder" product advertisements, people come into the club thinking that they will be able to correct 10 years of unhealthy living in a matter of

weeks. In an effort to make the sale, staff often avoids confronting the new member about his unrealistic expectations. This is a terrible disservice for all parties involved. For the member he is setting himself up for failure, discouragement and ultimately becoming a club drop-out. For the club, it is setting itself up for a lost member, or worst, a bad referral. Neither of these situations is desirable.

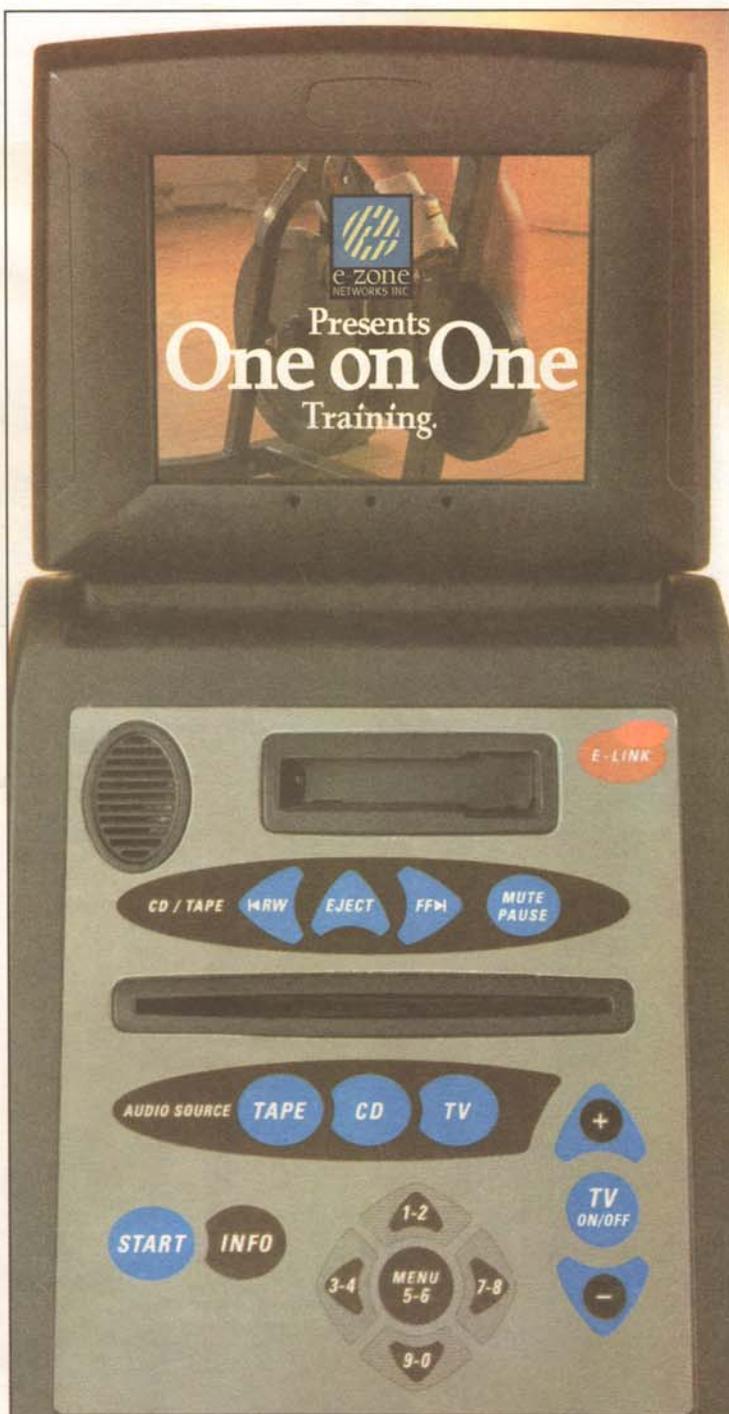
One way to make sure that members set up realistic expectations is provide them with a chart of healthy weight loss along with information on what a new exerciser can expect in terms of emotional and bodily changes during the first few months of a structured program. Another way to help members set realistic expectations is to bring them through a goal-setting workshop where member and fitness professional discuss both short and long-term goals, making changes and modifications as needed. Although this type of education and attention isn't a guarantee that a new member will set realistic expectations, it is a step in the right direction.

Secret #7: Make Sure Members "Ease Into" Their Exercise Program. All too often new exercisers overexert themselves when starting an exercise program. Part of this is the result of the member wanting quick results but part of it is a lack of direction on the club's part. It is much too convenient for the staff to throw a new member on a piece of cardiovascular equipment for 20 minutes in an effort to finish a workout with another member, or show them too many machines during their orientation to avoid a second visit. With new members, less is better to a certain extent. A club is better off having new members start off slowly but feel good about completing their workout rather than over exerting themselves, getting extremely sore and not wanting to come back.

What this means is new members need to be given a very clear plan of action as to what they should do during their first few weeks. This should include parameters regarding time, exertion, suggested classes as well as which ones to avoid and number of days between workouts. Having a step-by-step plan will give all new members a successful strategy that will insure they ease into their program without having a negative experience.

Secret #8: Make Sure Members Regularly Change Their Workouts. Another factor that causes people to drop out of an exercise program is boredom. Let's face it: getting on a treadmill or bike workout after workout can get monotonous. Monotony will lead to a decrease in motivation that will result in non-usage. Traditionally, new members are given a workout and are sent off to follow that routine for 4-6 weeks or until they approach the fitness staff for a new workout. By the time a member gets bored, stops using the club and is identified as a "non-user," it is potentially too late to save them from dropping out all together. Clubs need to be pro-active with new exercisers and make specific appointments for them to come back and get a new program, try new equipment and check form. Further, clubs should have systems in place that encourage members to try a variety of group fitness classes or get involved in other social activities that the club may have. Infusing new and different things into their exercise program will allow new members to keep a high level of interest and motivation, ultimately increasing the chances of their becoming a happy, long-term member.

(See Conrad page 22)



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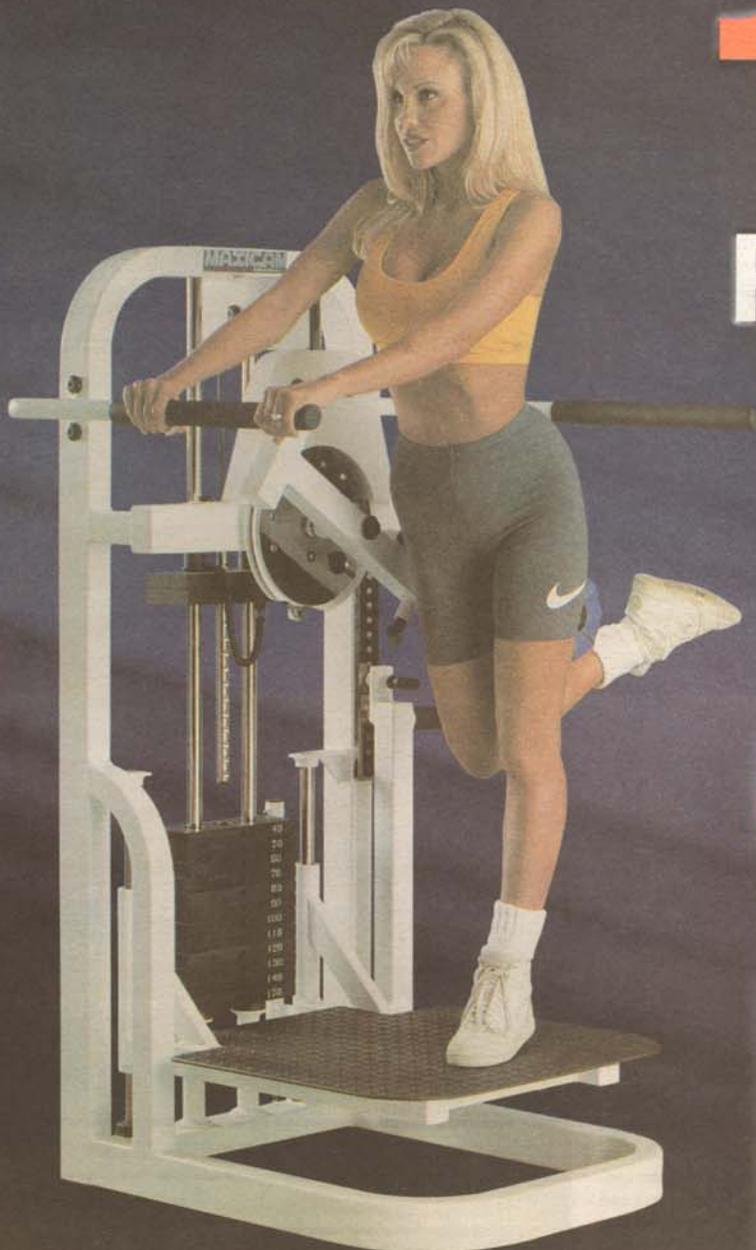
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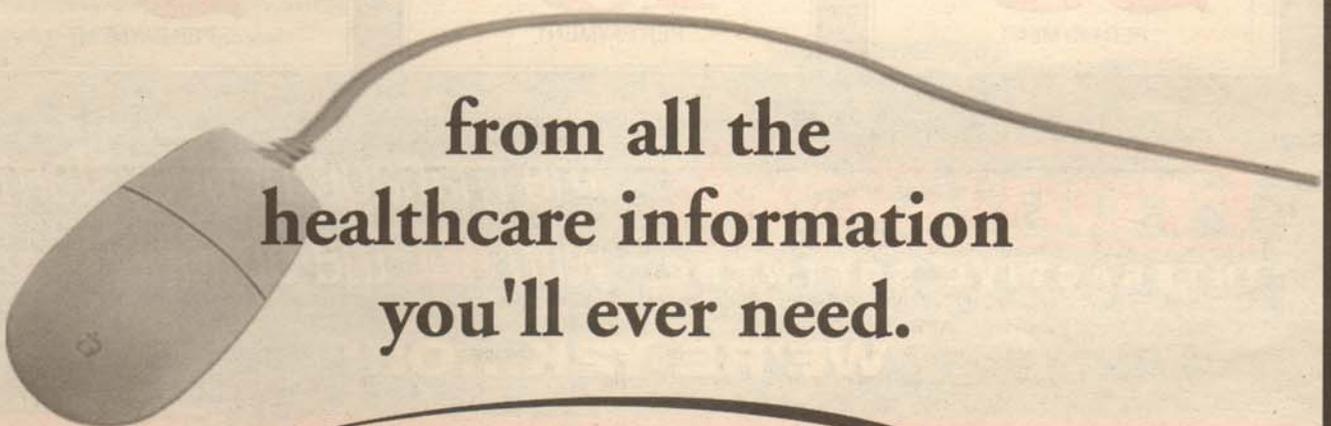
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NUTRITION NEWS FROM ADA

By Nancy Clark, MS, RD

With more than 70,000 members, the American Dietetic Association is the nation's largest group of nutrition professionals. Some of the research completed by these members was presented at ADA's annual convention (10/99). Here are some highlights that might be of interest to you.

SPORTS SUPPLEMENTS: Creatine, a supplement reported to enhance recovery during repeated bouts of intense exercise and help build muscle, is particularly popular among sprint-type sports such as rowing. Yet, not everyone responds to creatine. A West Point study with 18 members of the crew team suggests that consumption of 0, 5 or 10 grams of creatine per day resulted in no significant differences among the three groups. Everyone improved similarly with faster rowing times, reduced body fat and increased body mass. This study reminds us that hard work and good nutrition "works" and that athletes can excel without ergogenic aids.

•Androstenedione, a steroid hormone, is a precursor for testosterone—the male hormone associated with increased musculature. Andro has been heavily marketed as an "all natural" performance enhancer. A survey at the Student Recreation Center/Texas Tech University suggests about 20% of the 121 males who completed the survey had or were us-

ing andro. Unfortunately for the health of many of these athletes, "all natural" does not mean "safe" or "without harm." Altering testosterone levels is risky.

WEIGHT: Weight and body image are big issues among most people who exercise. These issues can start at an early age. For example, even fourth grade students have a preferred body type. A study of 166 African-Americans and 55 white students from eight urban public schools in the Baltimore, MD area suggests cultural preferences exist. That is, black students preferred a larger (yet healthy) figure as "ideal" as compared to the white students who selected a smaller figure. The study points out the need to 1) learn more about the factors that influence a young child's body size preference, and 2) evaluate how these preferences can potentially influence the epidemic of obesity (and eating disorders) that is plaguing ourselves and our children.

•Body image is a significant issue not only among women, but also among men. A survey of 200 high school male athletes and 340 non-athletes suggests only 4% of the athletes but 10% of the non-athletes struggled with body image. The athletes felt more content and satisfied with their bodies. These results suggest participation in sports may enhance body image in male athletes—and provides yet another reason for us to keep our kids active!

BODY FAT: If you are very thin and have had your body fat measured using bioelectrical impedance (BIA), you may have been given wrong information. BIA has low accuracy compared to a highly accurate research method (whole body potassium counting). Yet, because BIA is inexpensive and easy to perform, it is very popular.

•A very low calorie intake can lead to energy conservation in athletes. That is, in a study with 28 elite female gymnasts, the gymnasts who reported the lower calorie intakes had the higher amount of body fat compared to those who reported higher intakes (1,300 vs 2,200 cals). Either the larger gymnasts underreported food intake, or they conserved energy due to the perceived "famine."

The lower energy intakes were associated with lower intake of several nutrients, including iron and calcium. What this means is, if you are eating very little and maintaining your weight, you might want to consider eating more—if not to better nourish your body, then to boost your metabolic rate.

AMENORRHEA: Female runners who have irregular or no menstrual periods often believe that running keeps their bones strong. Wrong! The bone mineral density of runners with irregular menstrual cycles is lower than that of runners who have regular menstrual cycles. Hence, they are at higher risk for stress fractures.

If you are a woman who is amenorrheic (that is, lacks regu-

lar monthly menstrual periods), you need to get good medical follow-up. Otherwise, you may soon end up with stress fractures, to say nothing of the psychological toll associated with injury. Plus, you shouldn't ignore the long-term consequences of early osteoporosis.

MORE EDUCATION NEEDED:

Nutrition education for athletes is important both to enhance performance and to invest in future health and well-being. A survey of college football players indicates 80% of 21 college football linemen believed that vitamins were good sources of energy. (Wrong! Vitamins function like "spark plugs"; they are not a source of energy.) More than 70% believed that bread and potatoes are fattening and should be avoided when trying to lose weight. (Wrong! These carbs supply the energy needed to fuel muscles. They become "fattening" only when eaten in excess with too much butter.)

•Volleyball players also need nutrition help. Among nationally ranked female volleyball players, only 8 of 21 met the recommended protein intake, and 50% reported restricting energy to control their weight. Five reported being amenorrheic and 12 reported "irregular" menstrual cycles—both red flags for inadequate nu-



Nancy Clark, MS, RD

trition.

•A study of "vegetarian" college students suggests some may be at increased risk for eating disorders. Eliminating meat can be a politically correct way to eliminate calories and fat. True vegetarians eat adequate protein via tofu, nuts, beans, peanut butter and other plant foods. Non-meat eaters simply live on pasta and bagels, with inadequate protein and fat.

(Nancy Clark, MS, RD, nutrition counselor at Boston-area's SportsMedicine Brookline, is author of Nancy Clark's Sports Nutrition Guidebook, 2nd Edition (available by sending a check for \$20 to Sports Nutrition Materials, 830 Boylston St #205, Brookline MA, 02467 or via www.nancyclarkrd.com)

...Cirulli

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With over 27 years of industry experience, Mr. Cirulli is the owner and operator of two clubs in Gainesville, Florida — The Gainesville Health and Fitness Center and the GH&FC Fitness Connection for Women — with over 19,000 active members. He also shares ownership of two rehabilitation centers with the North Florida Regional Medical Center, ReQuest Physical Therapy and ReQuest Physical Therapy for Women, housed within or nearby his two clubs.

"We are very excited about Joe's election to Board

President." explains IHRSA Executive Director, John McCarthy "His clubs demonstrate exactly what kind of potential for success exists in our industry, and as an individual, Joe is a true leader."

Cirulli is a national and international speaker for the fitness industry. He and his health clubs have been the recipient of numerous awards, including:

... The Governor's Council on Physical Fitness and Sports Leader Award

... Gainesville Area Chamber of Commerce Business Leader of the Year

... Entrepreneur of the Year Award by a regional business magazine

... Induction into the

Junior Achievement's Business Hall of Fame

... 1996 Named among the top 8 health clubs in the United States by Men's Health magazine

... 1996 Named by IHRSA as among the 5 cleanest clubs in the world

... 1996 IHRSA Sales Team Award

... 1997 City Beautification Award in commercial/retail division

... 1997 Silver School-To-Work Zone Award for outstanding contributions to the Florida School-To-Work Initiative

... 1997 Alachua County Service Industry of the Year Award

... 1999 IHRSA Club Manager of the Year Award

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...1999 Review

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Convention in San Diego in March, 1999, a meeting of IHRSA Board of Directors and Advisory Board was called by IHRSA President, Annbeth Eschback, to discuss the status of a possible move to bring BTF into IHRSA. That meeting resulted in a conclusion by the group that perhaps IHRSA should continue to "get to know" BTF better for possible membership admission in the future.

•Dave Cohan, IHRSA

Board Member and club business leader in Pennsylvania, filed the first complaint testing the new Pennsylvania Act 55, the Institutions of Public Charity Act. The new law "declassified the "promotion of health" as a charitable act and stated that a charity cannot compete with a small business directly by offering overlapping services. Cohan lost the first round but is appealing the decision to a higher court at this time.

•Life Fitness announced the creation of a new organizational structure to set up two divisions at Life Fitness. The Com-

mercial Division would be headed by Herman Rutgers as the General Manager and the Consumer Division would be headed by General Manager, Jerry Dettinger.

March- 1999

•Crunch Fitness CEO and President Doug Levine was featured on our cover along with former Sportslife owners, Gerry Alles and Lou Off as the acquisition of Sportslife by Crunch Fitness was completed. The deal was rumored to be in

the \$20 million range. Alles and Off stayed on to head up Crunch's Southern Region.

•Club Sports International closed the deal acquiring the WellBridge Group of 7 upscale fitness centers.

•24 Hour Fitness enraged many West Coast and other fat people when they displayed a highway billboard depicting an alien being from outer space and bold print stating: "WHEN THEY COME THEY'LL EAT THE FAT ONES FIRST." The gutsy move caused a media stampede as overweight locals in Northern Califor-

nia were shown marching in protest of 24 Hour Fitness' billboard on prime time news shows nationwide.

•Jim Teatum was named as the new President of Nautilus Sports Medical Industries.

•Town Sports International reached 72 operational locations with 14 in various stages of development.

•The giant Club Corporation of America purchased 24 golf clubs from the Cobblestone Golf Group. At the same time, American Golf acquired 21 golf course from Cobblestone.

•Bally Total Fitness enters into an agreement with KBA Marketing, a division of Draft Worldwide where KBA will serve as an agent of developing sponsorship and other strategic partnerships for Bally Total Fitness. Bally announces an agreement to become the exclusive health, fitness and nutritional supplement store on Spree.com's heavily trafficked cyber-retail store. Guest passes and other new products and services will be promoted through the e-commerce organization.

•Micheal Hoffman, President of Heart Communications, announces the addition of Club Corporation of America, BodyPump and Operation FITKIDS to his roster of active lifestyle clients.

April- 1999

•Our April, 1999 Cover Story featured a report on the new IHRSA 50 Million By 2010 initiative. IHRSA partnered with the Fitness Products Council, a Division of the Sporting Goods Manufacturers Association to increase health club members to 50 Million in the U.S. by 2010 and to 100 million worldwide by that time as well.

•Jill Stevens Kinney was honored by IHRSA with the presentation of the Industry Service Award.

•Club Sports International announced on April 14, 1999, that Tom Lyneis, Founder, had resigned as President of CSI and had assumed the role of Chairman of the Executive Committee of the Board.

•Laury Hammel, owner of the Longfellow Sports Clubs in New England, wrote a lengthy and strongly worded letter to John McCarthy, Executive Director of IHRSA, protesting McCarthy's support of the 24 Hour Fitness "Alien Billboard."

•Ray Wilson's gave a speech at IHRSA's Global Summit in which he told the industry that after over 50 years in the business, he believes that monthly dues memberships are the only way to go.

•SportsNation, Portland, OR., Lake Shore Athletic Club, Chicago, Australian Body Works, Atlanta, Club One, San Francisco (See '99 Review page 19)

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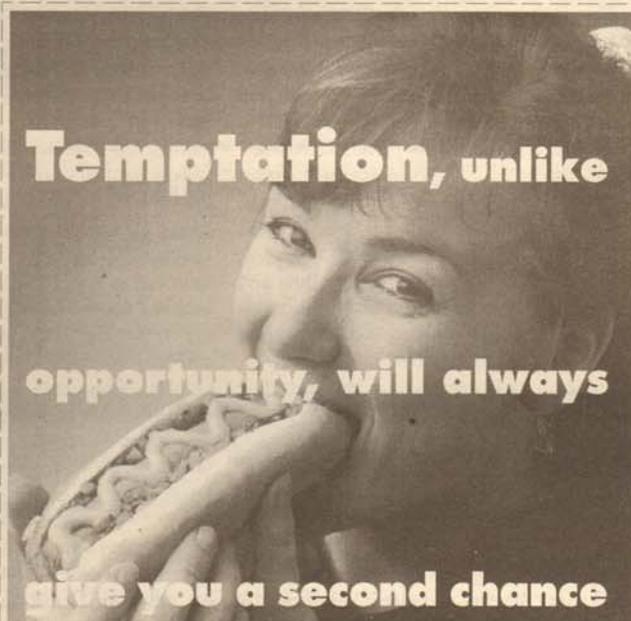
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CLUB INSIDER News 1999

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and The Sports Center at Chelsea Piers were named Shape Magazine's Top 5 health clubs in the U.S.

• **IHRSA Awards** presented in March at the San Diego Convention included, in Debbie Lee and Brent Darden, winners of IHRSA's 1st Annual Club Manager of the Year Awards, Amy Simpson, winner of the IHRSA/Cyber Fitness Director of the Year Award, the Nautilus Fitness and Racquet Club, winner of the 1999 IHRSA Racquetball Programming Award, Cascade Athletic Clubs, winner of the 1999 IHRSA/Keiser 50 Plus Award, Joe Gold, winner of IHRSA's Person of the Year Award and the Santa Barbara Athletic Club, winner of the first annual "Wellness Best Practices Award and the IHRSA President's Awards were given to Mark Harrington, John Gebhard, Ray O'Connor and David Cohan.

• **Life Fitness** Introduced a new line of Hammer Strength Benches and Racks.

May- 1999

• **Jill Stevens Kinney**, co-owner of Club One in San Francisco was our Cover Person of the month.

• It was announced that **Gale Landers**, CEO and President of the Fitness Formula club group in Chicago, had been elected to serve as President of IHRSA's Board of Directors.

• **Direct Focus, Inc.**, new owners of Nautilus Sports Medical Industries, announced that it had raised \$20 million through a public stock offering. • **Gordon Hall**, Chairman & CEO of HealthTech International, Inc. was found guilty in Federal Court of 12 counts of racketeering, conspiracy and securities and wire

fraud. Hall faces up to 20 years in prison if his appeal fails.

• **Bill Schilling**, Director of Leasing Sales for Life Fitness, died at age 49 from a massive heart attack.

• **Casey Conrad's** Communication Consultants announced the opening of a personal development division.

June- 1999

• **Bahram Akradi** arrived in the United States at the age of 17 in the Summer of 1978. Bahram, the Founder, CEO and President of Minneapolis/St. Paul, Minnesota-based Life Time Fitness was featured on our June, 1999 cover. His story is a terrific tale of one individual that is truly living the American Dream. Akradi continues to expand Life Time Fitness with the addition of numerous 96,000 square-foot facilities in key metropolitan areas across the country.

• **On May 28, 1999**, the Tennessee State Board of Equalization ruled against the YMCA of Nashville and Middle Tennessee on a complaint filed against the YMCAs alleging that YMCAs are in fact health club businesses and should be subject to taxes just as commercial clubs are.

• **The Sports & Health Company**, a 26-club chain in the Washington, D.C., paid the Washington Post \$64,000 to publish a Gun Control ad. The ad was also published and circulated to 50,000 S & H members with a letter from Don Konz and Mitch Wald explaining their feelings about the recent massacre in Littleton, Colorado.

• **The PEP Act**, (Physical Education for Progress) was introduced in the U.S. Senate. The bill would provide incentive grants for local school districts to develop minimum weekly requirements for physical education.

• **Bally Total Fitness** and

24 Hour Fitness donated over \$5,000 each to the Mile High United Way in Colorado, responding to the Littleton, Colorado massacre.

• **SEHRSA**, the Florida Group assembled by Joe Cirulli, Geoff Dyer and Bob Karshner to fight the Florida sales tax, lost round one in the 1999 legislative session.

• **Price-Costco** sold their 140,000 square-foot SportNation facility to LeisureSport, a Pleasanton, CA.-based chain of upscale athletic clubs.

• **Fitlxxx** raised \$15 million from four different private equity firms.

• **The FitLife** group in the Northwest rolled out their 63-club reciprocal membership program. The FitLife group was created in response to the arrival of 24 Hour Fitness and numerous Gold's Gyms in the marketplace and has the tightest membership standards of any organization in the country.

• **Town Sports International** Executives Mark Smith and Bob Giardina were selected as Finalists in the Ernst and Young Entrepreneur of the Year Program.

• **The Wisconsin Athletic Club** group in the Milwaukee area was created by merger of Ted Torcivia and Keith Nygren's clubs with Ray O'Connors and has grown to 5 locations with over 14,000 members.

July- 1999

• **Georgia Fitness Legends, Inc.**, a consortium of Gold's Gym operations in the Atlanta Metro area were our Cover Story for July. The group, assembled and led by veteran club owner/operator, Gordon Johnson, came together to develop a stronger marketing impact in the highly competitive Metro Atlanta market.

• **Crunch Fitness** was

sued for \$320 million by the husband of a 37 year-old member that allegedly died while using nutritional supplements suggested by her allegedly "not properly trained" personal trainer.

• **The Better Business Bureau's** 1997 Annual Inquiry and Complaint Summary stated that the health club industry's level of complaints had dropped 92% for the reporting period.

• **Rumors** continued about the acquisition of Gold's Gym Enterprises, Inc. by an investment group.

• **BodyPUMP** announced the arrival of four new programs: BodyATTACK, BodyFLOW, BodySTEP and rpm.

August- 1999

• **Our cover** for August featured Michael Levy and Jay Kell, former owners of The Sports Clubs of Canada (SCC). Last Summer, SCC, a 25-year old group of upscale clubs ranging from 30,000 to 50,000 square-feet, were acquired by Bally Total Fitness. Levy and Kell remained with the company to continue operations of the SCC group and the three Bally Total Fitness clubs located in Toronto. Commenting on the transaction, John McCarthy said, "I think it is probably the most significant transaction in the industry in the past 5 years. Everybody in the industry has enormous respect for Michael Levy and Jay Kell of The Sports Clubs of Canada. It says volumes that Michael and Jay have gone into a relationship such as this one with Bally Total Fitness. It is a sign of the whole industry coming together." Michael Levy, CEO and President of SCC added, "I must tell you, I am very impressed-extraordinarily impressed with these people. (Lee Hillman, Bill Fanelli and John Dwyer). In fact, your article on "Bally Total Fitness - Then and Now" was one

of the reasons that we sat down to talk with them. We wouldn't have done it without that article."

• **The Universal Gym** Equipment company was reborn in Cedar Rapids, Iowa. Steve Sadler, his brothers and a group of local investors in Cedar Rapids purchased the Universal Gym strength equipment component from a company called The Flexible Flyer Corporation. If you have Universal Gym strength equipment and need parts or service, call: (800)843-3906. Or, if you have Universal cardiovascular exercise equipment and need parts call Pro Fitness Sales and Service in Lantana, Florida at: (561) 540-3924.

• **Dick Church**, longtime club owner in Boston, sold his Boston Racquet Club to Fitcorp.

• **Gordon Johnson**, owner of Gold's Gyms in Douglasville and Marietta, Georgia won the Gold's Gym "Mr.G." Award at the National Gold's Gym Convention. Also, J.D. Holmes was honored at the Conversion Gym of the Year Award Winner.

• **The National Sporting Goods Association** Show in Chicago died after the Atlanta Super Show took a lot of the business.

• **Rene C. Jaggi** was named by StairMaster to be the new Chairman of the Board. He replaces John Rutledge.

• **Lee Haney**, 8-time Mr. Olympia, was appointed to the role of Chairman of the President's Council of Physical Fitness and Sports.

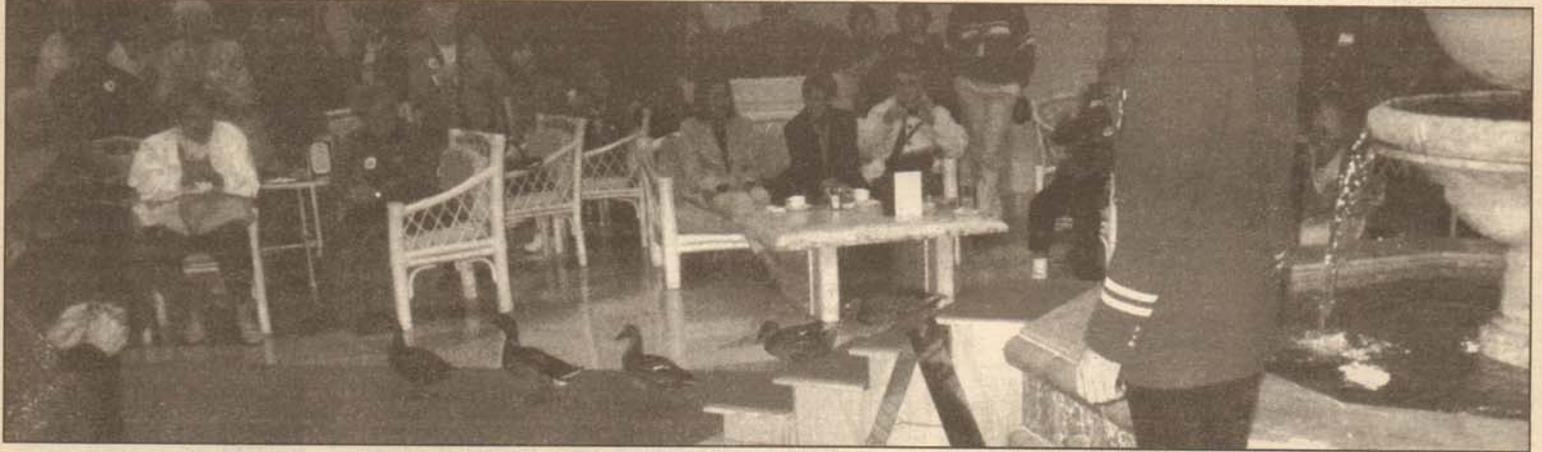
• **John Gibbons** was appointed Chief Executive Officer of the Sports Club Company, succeeding Michael Talla who will continue as Chairman.

• **Bally Total Fitness** entered into deals with Proctor and Gamble for personal care products and with the National Football League, designating Bally clubs nationwide as the health club for NFL players, past, present and future. (See '99 Review page 22)

IHRSA ATHLETIC BUSINESS CONVENTION



Gold's Gym Investment's Team (L to R) Kathy Mankin & Mark Eidemueller of Brockway-Moran, Ed Connors, Kent Lehnhoff, Derek Barton & Kirk Galiani



"The Peabody Ducks" Marching Home



(L to R) John Blake, Amy Simpson And Friend



Rick Caro (L) And Brian McBain After Lecture On Positioning



(L to R) Debbie Lee, Tony de Leede And Molly Foley



Sandra Blake (L) And Lorraine Blake Of The United Kingdom

IHRSA's Capitol Report

Capitol Report Reprinted Courtesy Of IHRSA

Data Shows Tax-Exempt & Taxpaying Clubs Serve Similar Income Groups

American Sports Data, Inc. reports that the average annual household income of members of tax-exempt fitness centers is \$65,000. For commercial clubs, the average is \$71,400.

This data shows that there is no significant difference between the income levels of members of taxpaying vs. tax-exempt facilities.

Tax-exempt clubs serve a slightly higher percentage of lower-income members (those with annual household income of less than \$25,000) — 16% vs. 11% for taxpaying clubs. Taxpaying clubs serve only slightly more of the most affluent (those with annual income of \$75,000 or more): 40% vs. 34% for tax-exempt clubs. A closer look at the highest income levels reveals that 16.5% of members of tax-exempt clubs have household incomes of \$100,000 or more vs. 18.8% of members of taxpaying clubs.

These statistics were reported in the 1998 IHRSA/ASD Health Club Trend Report. Other demographic comparisons in the report include:

Forty percent of members of taxpaying clubs are ages 18-34, and an equal percentage are ages 35-54. In comparison, 35% of tax-exempt facility members are ages 18-34, and 29% are ages 35-54.

FOUR DENVER AREA YMCA'S TO CLOSE

The YMCA of Metro-

politan Denver has announced that it will sell four of its 12 locations in order to avoid repair and maintenance costs. The closures will affect more than 9,000 suburban gym users and participants in YMCA programs.

"We're decreasing our investment in our facilities to increase our investment in our programs," said Thomas Craine, President and CEO of the YMCA of Metropolitan Denver.

"We can fulfill more need through programs if we're not spending so much on our buildings."

Repairing the Littleton and Jefferson County YMCA buildings would cost \$2.8 million. The two will be closed within two years, and Chatfield operations will move to the Southwest YMCA. The Y facility in Thornton will also be sold.

"We're no different than any other large organization making budget adjustments these days," Craine said. "Most people look at the Y as a gym-and-swim, but it's a lot more than that. Our mission is to put Christian principles into practice through programs."

IHRSA TESTIFIES AT ADA HEARING

Helen Durkin, IHRSA's Director of Public Policy, testified in December '99 before the United States Architectural and Transportation Barriers Compliance Board at a public hearing in Boston. The Board has proposed significant changes to the American with Disabilities Act (ADA) as it re-

lates to recreation facilities.

Durkin told the Compliance Board that while IHRSA clubs strongly favor — and provide — access for individuals with disabilities, the proposed ADA changes, as written, would adversely affect thousands of club operators. Durkin cited several proposed regulations regarding pool and sauna access that would be too costly for the vast majority of health clubs to implement. She urged the Board to develop regulations that are "practical to apply and make sense in the real world."

In addition to oral testimony, IHRSA will submit detailed written comments, based on member input, prior to the December 8 deadline. For information on the proposed regulations, contact IHRSA Government Relations.

For a free "Americans With Disabilities Act" briefing paper, contact IHRSA Member Service.

TRIPLE THREAT: HOSPITAL, COLLEGE, AND PARK DISTRICT TO FUND \$10.5 MILLION FITNESS CENTER

An unusual ownership/operations structure — involving a hospital, a state college and a local park district — has resulted in the development of a \$10.5 million tax-exempt health and fitness complex in Chicago Heights, Illinois. This is further proof that IHRSA members can never be sure of how their next tax-exempt competitor will be funded.

St. James Hospital and Health Centers, Prairie State College, and the Chicago Heights Park District are teaming up to build a 64,000 square-foot facility that will be located on the Prairie State College campus.

The complex will include the St. James Health and Wellness Institute, a medically-based fitness center, as well as a fieldhouse and an aquatics center.

The new facility will feature clinical space for physical, cardiac and orthopedic rehabilitation; a five-lane, 25 meter lap pool and a warm water therapy pool; cardiovascular equipment and free weights; men's, women's and family locker rooms; a multipurpose area for community events, a 15,000 square-foot field house/gymnasium; an indoor jogging and walking track; a children's nursery and play area; a heart-healthy cafe and other support areas.

Construction of the Fitness Complex began in July, 1999, with the grand opening scheduled for summer, 2000.

An interesting component of the plan is that the Fitness Complex will also establish a "community benefit fund."

"When the complex's debt is retired, we expect the fund to generate more than \$300,000 per year," said Alex Lopez, Commissioner of the Chicago Heights Park District Board. "The fund, managed by the three partners, will be used to finance scholarships to Prairie State College, to purchase sports equipment for the Park District, and to fund other philanthropic activities like community beautification on a long-term basis."

Lopez did not say when he expects the complex debt to be paid off.

IHRSA SUBMITS ADA COMMENTS

In a letter to the U. S. Architectural and Transportation Barriers Compliance Board, IHRSA formally submitted comments recently on the Board's proposed rules concerning the Recreation Guidelines under the Americans with Disabilities Act.

In addition to written comments, IHRSA testified at the board's public hearing in Boston on November 17. IHRSA asked the Board to extend the comment period for Recreation Guidelines until March 15, 2000 to coincide with the issuance of the proposed revisions to the ADA Accessibility Guidelines announced on November 16.

Noting that Small Business Administration census data indicates that 6,828 out of 6,929 membership sports and recreation clubs are small businesses, IHRSA argued that the proposed ADA requirements will impose burdensome financial construction and operating costs on the vast majority of small business clubs.

IHRSA requested that the Access Board minimize the significant economic impact the proposed regulations will have on small clubs.

Further, IHRSA stressed that health clubs across the country will be adversely affected by these regulations, especially concerning clear floor space surrounding strength

training equipment.

IHRSA addressed the proposed ADA rules regarding the following specific areas:

- Floor space
- Saunas & steam rooms
- Courts
- Unisex changing facilities
- Pools & spas.

IHRSA noted that creating a third, unisex locker room would be too costly for many clubs and needlessly duplicative of existing facilities.

IHRSA warned that if the rules are adopted as is, it will mean that many health clubs will limit the amount of equipment provided or cease providing amenities such as spas and saunas because the cost to make them accessible far outweighs their benefit to members.

IHRSA emphasized that its members favor — and provide — access for the disabled but desire regulations that are practical to apply and make sense in the real world.

For a copy of IHRSA's ADA submission, call (800) 228-4772.

OREGON Y CAN'T HAVE IT BOTH WAYS

IHRSA clubs hear time and time again from various YMCA officials that the Y "doesn't compete" with taxpaying health clubs. If that's the case, why do you think the Grants Pass Family YMCA in Oregon has the following policy?

"YMCA employee may not work for another employer in the same position while they are performing that duty for the YMCA."

In a letter to YMCA employees, Y General Director Kevin Clark wrote, "This policy was designed so that a staff member who worked at another business would not encourage our YMCA members and participants to leave the YMCA and participate at other locations... This policy is simply designed to prevent [the Y] from losing members because a YMCA employee also works at a competing business."

This begs the question: How can a non-competitor have a non-compete policy?

[IHRSA thanks Scott Draper of Club Northwest for bringing this to our attention.]

IHRSA ONLINE: The full text of IHRSA's ADA submission is available at www.ihrsa.org

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... '99 Review

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ture.

•Jazzerjam '99, the 30th Annual Convention for Jazzercise, drew over 4,000 fitness enthusiasts from around the world to beautiful San Diego, California.

September-1999

•Gold's Gym Investments, an investment group which includes Brockway-Moran & partners and the "G" Group, acquired Gold's Gym Enterprises, Inc. in a transaction reported to be nearly \$40 million. Gold's Gym Investments announced plans to add 150 company-owned gyms and 500 franchised gyms over the next 3 years. This acquisition has positioned Gold's Gyms Investments as the largest health club chain in the U.S.

•Rick Caro, Co-Founder of IHRSA and President of New York-based Management Vision, announced the founding of Caro-Brentwood Associates, a company whose focus will be on consolidation of clusters of upscale health clubs.

•IHRSA announced a new Mission Statement: "The Mission of IHRSA is to grow, protect and promote the industry and to provide its members with benefits that will help them be more successful." As part of this new mission, IHRSA places more em-

phasis on Governmental Relations.

•Caro-Brentwood Associates announced the acquisition of Bruce Hendin's Racquetball and Fitness Clubs of San Antonio as the first group of clubs to join the new organization.

•Club Industry Magazine announced the finalists of the Distinguished Business Woman's Awards. The finalists were: Geraldine Austine, Debbi Eisenzimmer and Julia Wheatley, nominated for Business Woman of the Year, Mary Albrecht, Christine Denovell and Cindy Johnson, Entrepreneur of the Year and Stacy Fowler, Kathy Iorio and Kay Yuspeh, Industry Enhancement Award.

•Canyon Ranch was named "World's Best Spa."

•U.S. commercial health club numbers grew to 15,125 for the period ending July, 1999.

•Bally Total Fitness stock was trading at around 33 at press time, up from 4 when Lee Hillman took the helm at Bally Total Fitness. BTF continues to roll out new initiatives.

•The YMCA launched an attack on IHRSA's Web Site, demanding that the Association remove photographs of YMCAs. IHRSA agreed to remove the photos.

October-1999

•Rick Caro of the new Caro-Brentwood Group an-

nounced the acquisition of the 10 location Spectrum Club group from The Sports Club Company in Southern California. Caro also announced that Bob Steele, formerly a senior PepsiCo Executive, had been chosen as CEO and President of the new consolidation company. Spectrum Clubs International will be the new name for the fast growing 18 club company. SCI plans to continue their aggressive acquisition program with the target of a 300 to 500 million dollar company over the next 3 to 5 years. Julie Wheatley was named Businesswoman of the Year, Christine Denovell was named Entrepreneur of the Year and Kathy Iorio received the Industry Enhancement Award at a ceremony held at the Club Industry Convention in Chicago.

•Curt Beusman's Saw Mill Club in Mt. Kisco, N.Y. was one of many clubs on the East Coast that were flooded by Hurricane Floyd. Saw Mill experienced over \$1 million in damage.

•Richard Branson of the United Kingdom, has opened his first health club and calls it: "Virgin Active". Branson has made a fortune in the recording industry and other businesses. He plans to come into the industry in a big way with \$160 million planned for investment. •Premark, the owner of the Precor brand name, was sold to Illinois Tool for \$3.4 billion.

•Bally Total Fitness acquired 7 George Brown's Fitness Centers in Northern California.

•Joe Moore, owner of 12 Moore's Nautilus Centers in Ohio, was successful in stopping the construction of a huge hospital health club by filing a lawsuit asserting fraud and other issues

with the hospital.

•Jeff Randall acquired Linda Pejchar's H&F Solutions company, positioning JLR Associates as the biggest executive search firm in the health club industry.

•Ken Germano, club industry veteran and Founder of FITKID's, was named as the new Executive Director for ACE (The American Council On Exercise).

•The E-Zone Network accelerated its offerings to include a vast array of educational programs.

•The National Fitness Therapy Association (NFTA) announced the establishment of a National Advisory Committee.

November-1999

•The **CLUB INSIDER** News completed its 6th Year of Publication with the November, 1999 edition. Thanks to all involved during the first 6 years!

•Tony de Leede was our Cover Person for November and his story is one about a fellow that has been very successful as both a club developer/owner/operator and as an industry supplier. Tony's Atlanta-based Australian Body Works now has 22 locations in operation with 5 more slated for early 2000 and his CardioTheater Company has over 4,000 systems installed worldwide.

•McCown DeLeuw, the company behind 24 Hour Fitness, announced a \$900-million capitalization. As part of that transaction, McCown DeLeuw announced the acquisition of Frank Leonosio's 18-club Q Club chain.

•ClubCorporation of

America announced the sale of 15% of its stock to raise \$300 million for the purpose of taking advantage of the consolidation opportunities currently available in the industry.

•Bruce Gouin and the Baptist Health Systems hospitals announced the development of the group's 5th large hospital club in Alabama.

•ClubOne formerly announced the acquisition of the Frog's Club chain and Fitness Advantage chain in the San Diego.

•ACE and IHRSA announced a partnership to promote and grow the number of health club members to 100 million worldwide by the year 2010.

•Gerry Alles, President of the Southern Region of Crunch Fitness in Atlanta announced the closing of Crunch Fitness Club Cobb and relocation to a new facility as of May, 2000. The move will displace nearly 400 tennis playing members in the Northwest Atlanta area.

•Bally Total Fitness announced excellent 3rd Quarter results.

•The Medical Fitness Association held a Convention in Atlanta that attracted approximately 300 attendees.

•The International Association of Amusement Parks and Attractions conducted its Annual Convention at the World Congress Center in Atlanta. The event drew over 30,000 and featured a huge variety of entertainment options. A few folks from the club industry attended, including Rick Caro of Spectrum Clubs International and Bob Bellamy and Rob Goldman of the Columbia Association. They were in attendance searching for new ideas to entice and entertain their members.

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NEWS

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...Conrad

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Secret #9: Encourage Members To Set Goals And Write Them Down. Similar to setting realistic expectations, it is important for new members to set goals AND write them down. Numerous studies have been conducted that reinforce the power of goal setting. When an individual makes a goal and writes it down, the process of externalizing the goal on paper gives it more credibility and importance in one's brain. Unfortunately, most people don't take the time to write out goals. For one, it takes an extra amount of effort. Another reason is because of fear of failure; that is, if you don't write a goal out, it is much easier to forget about it without punishing yourself. Top achievers understand the power of writing out goals and placing those goals in a location that gets seen on a regular basis. Clubs can help members tap into the power of written goals by providing new

members with a "goals worksheet" that not only gives them some parameters of realistic goals but that encourages them to visit their goals on a daily basis.

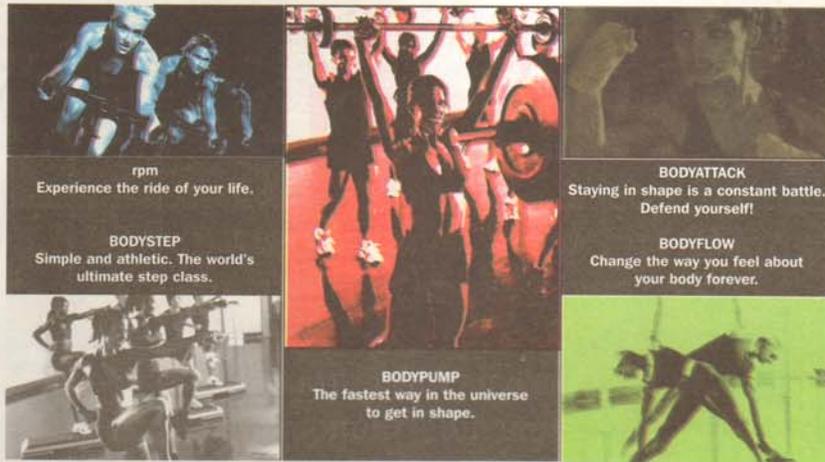
Secret #10: Help Members Create A Fall-Out Plan. The final secret to helping members stick with their exercise program is helping them create a fall-out plan BEFORE they fall out. Chances are good that every new exerciser will drop out of their exercise program at one point in time. Whether it is due to illness, the kids, work or some other factor, everyone goes through periods where it is difficult to make it to the gym. By letting members know that this will happen and that it is normal will help them deal with the guilt associated with a temporary fall-out. More importantly, clubs must get members to think through a "fall-out" plan at the beginning of their membership. This fall-out plan is nothing but a mental plan that the member can follow when they have

dropped out. Something as simple as a plan to call the club and get re-motivated might work. Perhaps having the member give a friend permission to call them every Friday to find out if they have been consistent. The complexity of the plan is unimportant - its just having a plan of action that will help the member get back into the club faster without the guilt.

Of course, none of the 10 secrets are complex or difficult. In fact, they are quite simple but the effect of them when implemented is priceless. By educating members to the fact that they are creating new behaviors and that there are strategies to help them successfully make it through the maintenance phase, not only will you increase the retention at your club but also you will create happier, healthier members in the process.

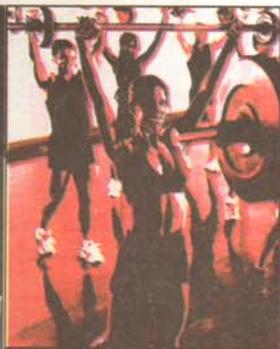
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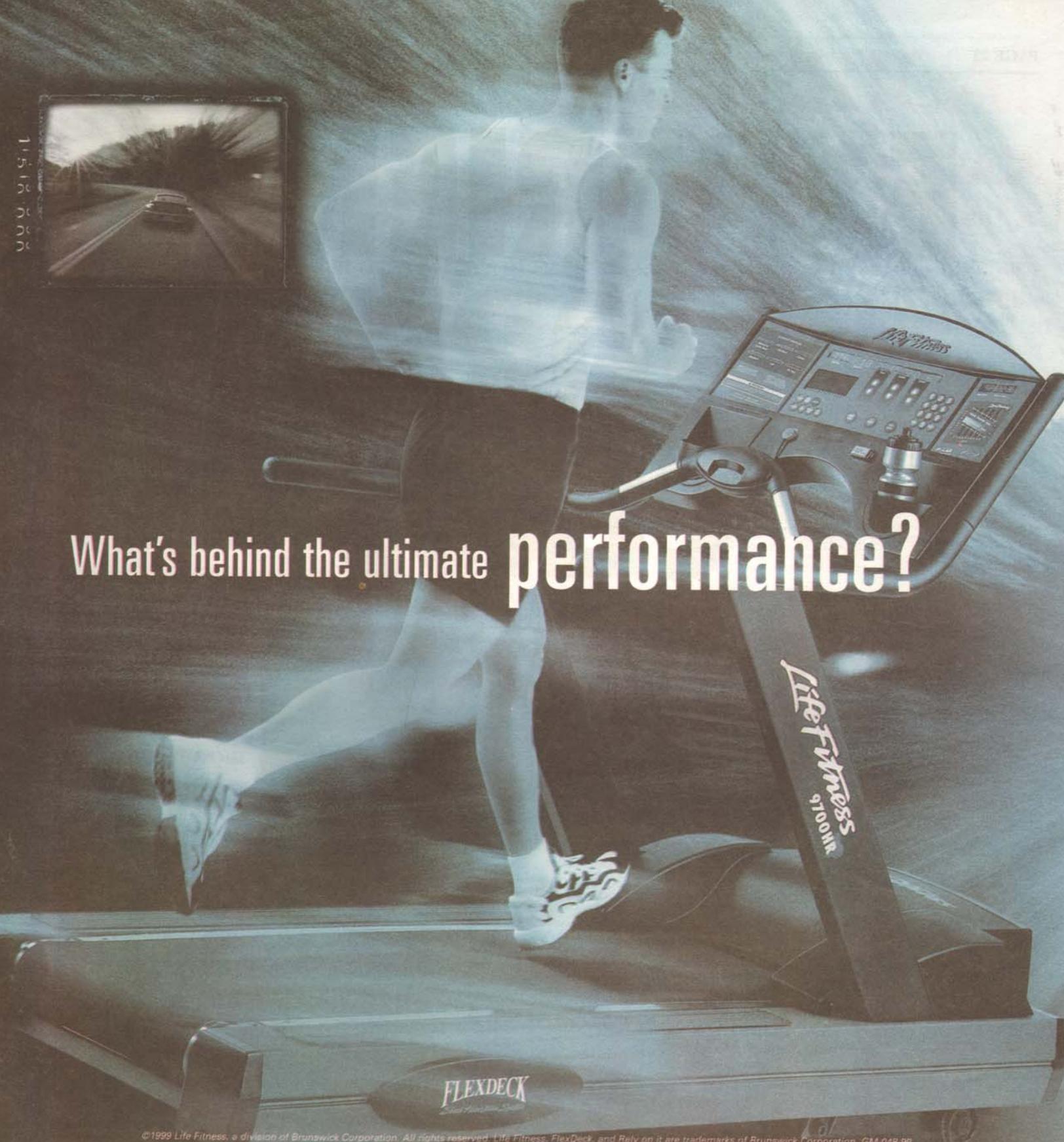
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