

“Best Practices”

To Improve The Club Industry

By: John M. Brown

The process of identifying “what’s right” with the health club industry and “what’s wrong with the health club industry” has become a ‘cottage industry’ these days. It seems that the answers and solutions to each are so obvious, but also seem so elusive and hard to believe that it might be “just that simple”.

With over 25 years of all kinds of business experiences in the club industry, I certainly am not the end all. Nor do I have all “the answers. I do however believe that adopting the following “Best Practices” can and will enhance many clubs performance and eventual outcomes if executed well.

1. Kill the enemy not the messenger

Learn to deal with your business problems rationally and without so much emotion. Many times, employees know what’s wrong or what to do, but fear reprisal from ownership and management for speaking up. Many of these people have been “brought to the gallows” and labeled as complainers, trouble-makers, and summarily terminated, just because we don’t want to hear it. This unwillingness to listen, take information and take action is simply “weakness in management” and illustrates just how unprepared most people are to manage anything, including information and staff. The enemy is *not* he who brings the message, (including employees, members, customers) but the enemy is more accurately identified as complacency, apathy, contentment, stilted thinking, closed mindedness and inexperienced management.

2. Have a “Bias for Action”

This is not a new “buzz phrase”. Anyone who has read Peter Drucker, “The Harvard Business Review”, or listened to Alan Schwartz speak, has heard this phrase. Basically it means do something! Take action to solve a problem, to make something

happen, to create revenue, to cut expenses. If you believe it’s right for the business and more importantly for the customers then do it! Sometimes you may be wrong, but no one should fault you for taking initiative and avoiding one of the worst sins in business, which is to stand idle, watch and do nothing.

3. Sell Everybody Something!

Ok, let’s just imagine for a moment, that all the experts and the studies are wrong and you’re right. Some poor soul comes in your club and doesn’t want to join on your super duper special membership. So what. Sell him a trial, sell him a month, sell him some personal training, sell him some supplements, sell him a candy bar but sell him something! No one in their right mind just “goes shopping” at a health club. If they are shopping that means they want to buy something. It doesn’t have to be what you want them to buy. Try selling them something they want to buy for a change. Any sale created is revenue. Any sale of the multitude of products we offer is a pathway to the next or another sale. Think about it for a minute. Literally hundreds and thousands of sales are lost everyday due to our “narrow” view of what the customer should buy. If they walk in your club they know what they came there to buy. Just sell it to them.

4. Offer A Real Unconditional Money Back Guarantee!

I’m going to go out on a limb here, but if you can’t guarantee someone’s satisfaction for a minimum period of time then you should be looking for other employment. I’m consistently amazed at the trepidation and fear in owner’s eyes when I suggest that they offer some form of real money back guarantee. First of all, if you offer a guarantee, and you are refunding money more than 3:100 ratio, then you don’t know what you are doing. Second, an “unconditional” money back guarantee presented at the Point of Sale (POS) gives the buyer significant comfort to make a

decision now, rather than later. Third, offering a guarantee and using it in your presentation to prospective new members will improve your closing ratio by at least 10 – 15%, almost immediately. Finally, a guarantee, combined with a verifiable integration program, actually compels staff and sales personnel to “make sure” that new member’s receive what they were promised and more. All the naysayer’s out there who say “people will take advantage” just don’t know how to administrate the program. My suggestion may sound somewhat heretical but offering a “30 day unconditional money back guarantee” would solve many, many problems that exist in our industry today. Like I said, if you can’t figure out how to keep a new member happy for 30 days then you need to get out of the business. Three day, seven day, 14 day, 21 day guarantees? Be different! Offer a 30 day. If your people can’t sell memberships with that tool, then they won’t be able to sell water in the middle of Death Valley.

5. Learn To Sell From “Outcome Based” Platforms.

No matter what people say, many aspects of our current “business model” just don’t work. Deep discounting, massive volume membership, price/time incentives, multiple club units, franchising and all to date have really been minimally effective in actually expanding our market. Yes, there are exceptions to all of the above, but how many of you are the exception, rather than the rule? Buyers and new customers still view our product as a “means to an end” not a lifelong endeavor. For the long term, I believe we have to embrace and embark on selling our product based on “outcomes”, especially the positive ones, and the emphasis on avoidance of the negative ones. Look at it this way. The Surgeon General of the United States issued basically the same warning to Americans about avoidance of regular exercise as he did about the dangers of smoking. The problem was, there were and are more smokers than exercisers. The message sent,

which was meant as much more for the people who don’t exercise was not as compelling to the non-exercisers. In fact, as of this writing, the U.S. Centers for Disease Control and Prevention suggests that obesity is poised to usurp cancer as the nation’s No. 2 killer. Anyone who keeps up with medical research, especially cancer research, knows that all the leading cancer researchers, experts and physicians are coming to the conclusion that the best way to avoid cancer is prevention, and the best prevention is regular exercise. Who really cares if they got a really good deal at the health club if their dead? We should be espousing the positive outcomes which are much more compelling and decidedly factual than any “discount” we can ever offer. Just a few outcomes could be:

1. How long I have to spend with my love ones.
2. Can I increase the odds of seeing my kids graduate from college or get married?
3. Can I expect to live to see my grandchildren?
4. Can I minimize the risks of stroke, heart attack, or cancer, so I can be around to provide for my family?
5. Can I mitigate the negative aspects of everyday life by taking better care of myself?
6. Can I live long enough to be able to contribute to society, improve other people’s lives and help those less fortunate than myself?

I could go on and on. The above, at least appeal to people’s real life situations, emotions and well being and mean a lot more than a “cheap” deal on membership at the club.

6. Learn A “Detail Orientation”

It is said that “God is in the details”. To be successful in this or any business, there are many critical factors, but none more important than understanding, attending, and how you handle the 1000’s of critical details that exist everyday. Big, flashy buildings, brand names, high tech equipment, all play its part. But, in the end, the difference



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between a profitable and successful club is probably not the “flash and the cash” but did you say ‘Hello’ to me when I walked in your club today? Were you a good steward of all the opportunity’s given to you today? Did you make the most of them, or squander them by not paying attention to every one of them? Cleanliness, greeting, tracking customers, reconciling each and every opportunity. That’s where the money is and that’s where long term, sustainable success resides.

Whoever says “It’s all about making more money” doesn’t know anything about making money.

If I hear this idiotic mantra one more time I’ll vomit. This is at the core of what’s wrong with our industry. The wrong message being taught and delivered to the customers. Let me say this, it is a prerequisite, a requirement, an expectation, and a reasonable assumption that your business should and *must* make money. In fact, most customers appreciate a well run, profitable business, because they reap the benefits of better service, higher value, more options, and the newest and best technology. But to narrow our thinking, focus and attitudes to just “make more money” is not only the propensity to state the obvious, but overtly self evident and ultimately transparent to the customers. No wonder so many of them think all we want is their money. You make money in this business as in most businesses by enhancing and enriching other people’s lives. By delivering a product and service which is second to none. By being consistently good at what you do day in and day out. It’s not all (See *Business Practices* Page 30)

Over One Hundred BTS Clubs Attain Platinum Status

ATLANTA, Ga. – Body Training Systems® (BTS), provider of a comprehensive group fitness solution, announced in November that over one hundred clubs have attained Platinum status. Platinum clubs have experienced increased membership referrals, sales and retention by offering five BTS group fitness programs and utilizing the management, programming, training and marketing systems.

“Since we began working with Body Training Systems, our annual revenues have exceeded \$2 million and our earnings have increased by \$400K,” commented John Bonica, owner of Global Fitness Center, a club that recently attained Platinum status.

As evidenced by the number of Platinum clubs, BTS continues to expand its presence in the industry by providing

clubs with the tools they need to grow their businesses. By going Platinum, clubs receive Platinum marketing materials to display in their facilities, exposure in industry press, access to exclusive Platinum resources on the BTS website and the financial tools to benchmark their success against an index of all Platinum clubs.

“We instituted Platinum to recognize our customers’

commitment to our group fitness systems, as well as to the high level of service they provide to their members,” commented Terry Browning, president of Body Training Systems. “By utilizing our management consulting services and marketing tools, more and more clubs are increasing their bottom line.”

(Body Training Systems, a division of The STEP Company®, provides a compre-

hensive group fitness solution to health clubs and instructors in the U.S. and Canada. BTS’ group fitness solution includes complete management, programming, training and marketing components. BTS’ brands include BODYPUMP®, BODYCOMBAT®, RPM®, BODYFLOW®, BODYSTEP® and The STEP®. For more information, visit www.bodytrainingsystems.com.)

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about making more money, its all about how you make your money. Bill Gates didn’t set out to become the wealthiest man in the world, his goal was “a computer in every household”. By working towards that larger goal, and combining it with

improving people’s everyday lives through the use of technology, he has become wealthiest. Making more money is a means to an end. But in no way is it a principle to broadly operate on.

It is my belief that all of the above business practices can and will improve our industry for the long term. I wonder what you think.

(John Brown is a nationally known consultant, speaker and author. A club industry veteran of over 25 years. He owns, operates, manages and consults with over 80 facilities across the USA and South America. His company, PCM Fitness Inc. is a leader in training, managing, funding and developing clubs. PCM has been in business over 15 years. He can be reached at 281-894-7909 or email PCM4life@aol.com)

...Sales Tune Up

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the key things that the prospect indicated were important to them during the qualifying stage. Then, once the salesperson has explained the benefits of a particular club feature, they need to get the prospect to verbally give feedback as to the importance of that feature

(which it should be because it was discovered during qualifying). This, of course, is done by asking the prospect a question; “John, with the wide variety of entertainment options for you during your cardio workout, do you think you will be able to beat the boredom this time?” Doing this gets the prospect to make small “buying commitments,” helps the prospect justify the purchase in their mind and ultimately makes closing the sale much, much easier.

If you took the 8-steps to the selling process and divided them in two, it could be said there is a front end (steps 1-4) and a rear end (steps 4-8). The front end refers to all the rapport building steps, like the pre-qualifying, qualifying and touring, and the rear end refers to more of the “hard sales skills,” like closing, overcoming objections and following up on guests that did not enroll. Salespeople who do a great job on the front end, don’t need to have a big rear end. And, I don’t know about you, but I think most people would prefer NOT to be told they have a big rear end! Take the time with your staff, tune-up the qualifying and touring aspects of your clubs sales presentation and it will result in a higher level of sales success.

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