

CLUB BUSINESS INTERNATIONAL

Peak Performance

THE ALASKA CLUB'S ROBERT
BREWSTER HAS SET HIGH
GOALS FOR HIMSELF, IHRSA,
AND THE INDUSTRY AS IHRSA'S
CHAIRPERSON-ELECT



IHRSA Chairperson Robert
Brewster eyes ambitious goals

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A 30-year industry veteran, Robert Brewster, the president of The Alaska Club, based in Anchorage, helped grow that company from a single facility into a successful, multifaceted business with 18 locations. Now, as the chairperson-elect of IHRSA's board of directors, he brings the same ambition, energy, and impressive skill set to his mission to "grow, protect, and promote" the health and fitness club industry. At the top of his to-do list: public policy progress.

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IHRSA Chairperson-Elect Robert Brewster

Robert Brewster

The chairperson-elect of IHRSA's board of directors will hit the ground running with a list of ambitious goals for IHRSA and the industry

By Craig R. Waters

CBI: First of all, congratulations on having been voted the new chairperson of IHRSA's board of directors. Did that surprise you?

ROBERT BREWSTER: Given the number of accomplished leaders currently sitting on the board, it's humbling to have been selected to serve as chairperson. Many major industry visionaries have held this position throughout IHRSA's history; it's both an honor and a significant responsibility to be on the same list. Knowing that my tenure as chairperson will be short, I've prepared myself to hit the ground running, so I can be as effective as possible in serving our members.

CBI: Your new post provides you with a bully pulpit to “grow, protect, and promote” IHRSA, its club and associate members, and the industry at large. Right now, what's your No. 1 priority?

RB: My primary priority is to engage as many clubs, worldwide, in IHRSA as possible, by communicating the value of membership and the importance of a strong association. There are many forces at work, both positive and negative, that substantially affect the profitability of our members' businesses and the amount of good they can do in their communities. IHRSA is doing an amazing job of mitigating threats and fostering opportunities to grow our individual member clubs and the industry. Clubs change lives for the better every day. If we speak with one voice, we can multiply several-fold what we could possibly accomplish, individually, on our own.

CBI: If you had to pick just one thing to “grow,” what would it be?

RB: Growing the number of member clubs is crucial to the continued vibrancy of our association. Getting more club owners and staff involved in the fabric of IHRSA will improve our organization's ability to fund important initiatives, and give us the legitimacy we need to be successful advocates. Opportunities exist, both domestically and internationally, for increasing the number of IHRSA operators who benefit by associating with other like-minded professionals, and who understand the importance of contributing to the cause.

CBI: Same question: to “protect.” What would it be?

RB: We operate in a unique industry, where there's significant crossover between the private and public/nonprofit sector in the competition for clients. Unfortunately, this requires constant vigilance and action in order to deal with threats to our member clubs. Getting more organizations to contribute to the Industry Defense Fund (IDF) is a top priority; that will allow us to improve the resources we utilize to address these inequities and level the playing field. →

Highlights

- » Grow, protect, promote
- » Public policy priorities
- » Revenue diversification
- » International opportunity

Robert Brewster, the chairperson-elect of IHRSA's board of directors, is an industry veteran with more than 30 years of experience, and currently serves as the president of The Alaska Club (TAC), based in Anchorage. TAC operates a network of 18 facilities, ranging from self-check-in “Express” boutique clubs to large, upscale, multipurpose properties more than 100,000 square feet in size; and Alaska Fitness Equipment, a commercial equipment company. Brewster, an accomplished athlete, holds a bachelor's degree in marketing from the University of Alaska Anchorage, and, before joining TAC in 1988 as the company's vice president and director of operations, had served in a variety of capacities with Hotel Captain Cook and Captain Cook Athletic Club, and as the manager of the Spa Fitness Center/Boniface Club, all in Anchorage. He joined the IHRSA board in 2011. →

CBI: Same question: to “promote.” Again—what would it be?

RB: Although our industry has produced some large companies, the vast majority of clubs are still independent. While conducive to a vibrant culture of innovation, this fragmentation makes a strong trade association an extremely important resource to encourage industry growth. IHRSA can take the lead in promoting the industry and growing club memberships by working directly, and through partnerships with other stakeholders, to clearly position our facilities as a primary tool for combating physical inactivity and epidemic obesity.

perception of health clubs and their role in their lives.

CBI: Has that issue—public policy and advocacy—increased or decreased in importance over the past few years? A little status report, if you would, on the industry’s efforts, the challenges it currently faces, etc.

RB: It is clear that the need for a variety of advocacy efforts has *increased* over time. Their importance has never been greater. The problems come from many quarters, including state and local governments searching for new tax

higher levels of certification for personal trainers, or bills that increase taxes on membership dues.

IHRSA is always vigilant, and, thus far, has been very successful in avoiding harmful occurrences. I’d hate to think what our industry would look like today if our public policy team hadn’t been aggressively defending our business interests.

CBI: And, when you joined the board, you also spoke about your desire to diversify IHRSA’s revenue sources—the equivalent, for clubs, of nondues revenue sources. Anything new, or pending, with respect to that initiative?

RB: If the recession and the changing industry landscape have taught clubs and our association anything, it’s the value of being well diversified. As a result, IHRSA has to look at products and services that provide real value to member clubs, while not competing with our associate members, in order to raise additional revenues, so association dues can be held at a reasonable level. Examples of current efforts along these lines include the resurrection of the IHRSA Institute and our growing list of international partners.

“Because the fitness industry has been my life’s work, I’m both passionate and protective of it. Therefore, public policy issues, for me, are still very much top-of-mind. ... The need for a variety of advocacy efforts has *increased*. ... Their importance has never been greater.”

CBI: When you joined the board four years ago, you told CBI you were particularly interested in strengthening IHRSA’s public policy and advocacy efforts. Is that still a major focus for you?

RB: Because the fitness industry has been my life’s work, I’m both passionate and protective of it. Therefore, public policy issues, for me, are still very much top-of-mind. Part of my public policy agenda has to do with my deep concern for the need to maintain a level playing field for all competitors; so I’m very supportive of IHRSA’s excellent existing efforts to stop unfair competition from tax-advantaged competitors. It’s also important that our association be vigilant with respect to unnecessary, burdensome regulations and taxes that would negatively affect our members. I’m also interested in a proactive and positive public policy, with IHRSA playing a major role, to shape the public’s

sources, universities that want to enhance revenues by selling memberships, and charitable organizations that have lost sight of their mission.

Public advocacy also offers opportunities for the industry to promote itself, and solidly position us as a solution for many of society’s greatest challenges.

CBI: And where do things stand today?

RB: IHRSA has done an outstanding job of defending clubs across the country from a wide variety of threats, but the fight continues. A couple of issues that could be problematic for our industry include efforts by some state legislatures to restrict automatic renewals, as well as to dictate harmful contract restrictions, such as limiting contract length or how clubs can use EFT. Additionally, some states have passed, or are considering legislation that requires

CBI: You recently returned from IHRSA’s 33rd Annual International Convention and Trade Show in San Diego. Your assessment of the event—how well did it perform for attendees? How well did it perform for IHRSA?

RB: The annual convention and trade show are the crown jewels of industry education. I’m amazed that each year, the exposure it provides to new ideas, equipment, and tools improves. The scope of the trade show alone was exciting. I know that people walked away energized, excited, and ready to implement improvements to their business operations. In addition, the venue itself was excellent. Since everyone appeared to have fun and learn a lot, I’d call this year’s convention a rousing success.

CBI: Speaking now, in your role as the president of The Alaska Club, how well did the convention perform for you? What did you learn? How will IHRSA '14 affect how your clubs do what they do?

RB: Even after 26 years of attending the convention, I still find it to be a huge boost for morale, team building, and business advancement. We generally bring 15 to 20 people each year, and find it to be an excellent return on investment. This convention was as good as any we've seen. Because of our remote location, it's extremely useful for us to have so many vendors available, allowing us to explore the entire scope of possibilities—all in one place. I was particularly mesmerized by the proliferation of new software- and technology-based solutions to make our operations more efficient and productive.

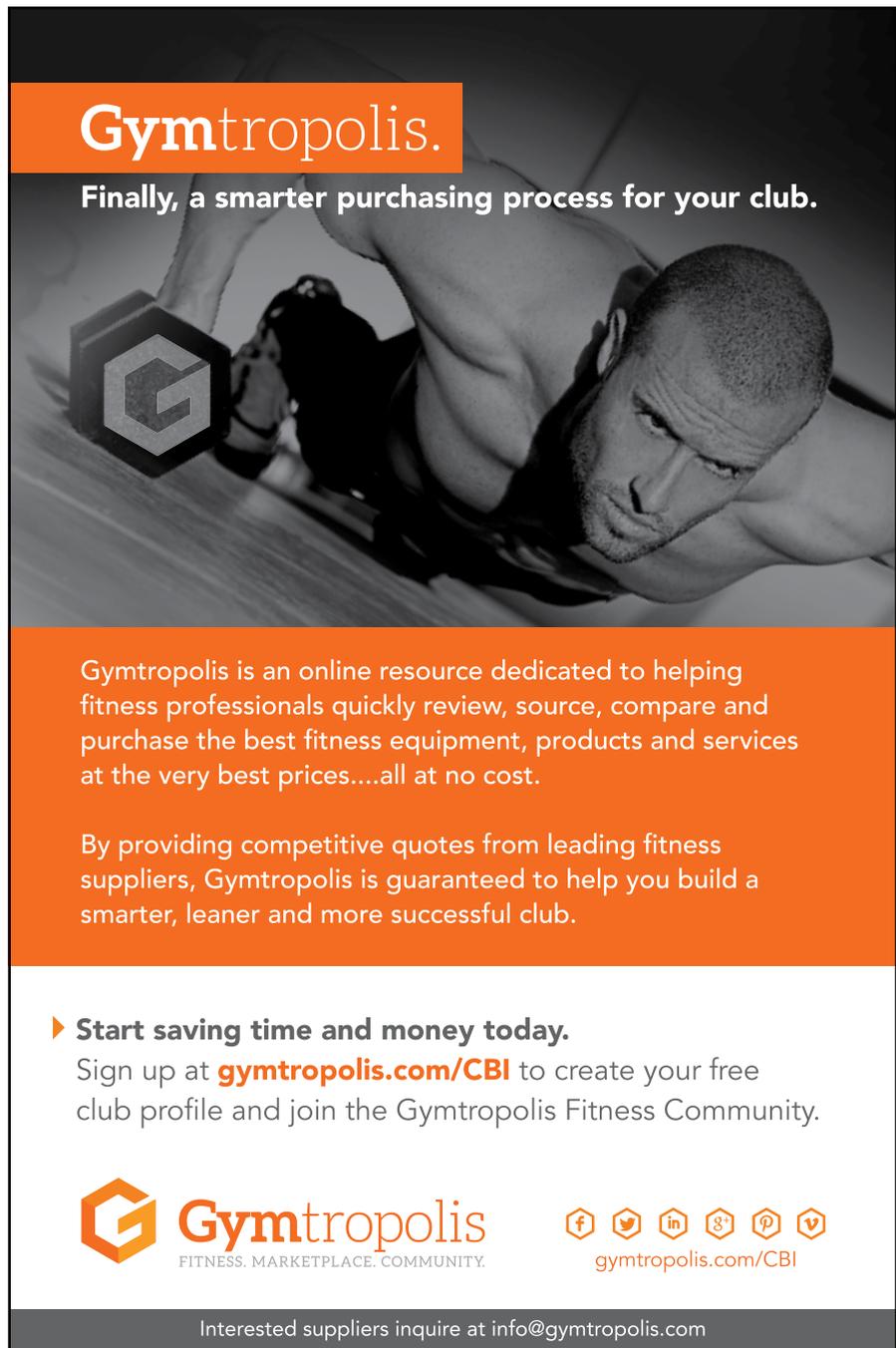
CBI: You've said that your wife, Liz, and sons Brandon and Bryant are the most important people in your life. Has your involvement in the industry involved them—have any benefits accrued to them by virtue of your work with clubs?

RB: Although it's a long and complicated story, my family has been fully engaged in the health club industry in Alaska for more than 30 years. Early in my career, my wife and I worked together at another club; I eventually left, so I could pursue a relationship with her, and we soon got married. For the next 18 years, she and I managed competing clubs. Because of our joint background in athletics and fitness-related careers, and our passion for staying fit, our kids' lives have also been intertwined with club activities. The general theme in our house revolves around sports and conditioning. My wife is a huge fitness enthusiast and a high school ski coach; Brandon is on the ski team at the University of Alaska; and, last year, Bryant was a member of the top high school ski team in the country. Our association with this industry has

yielded many rewards, not the least of which is the constant exposure to the benefits of a healthy lifestyle.

CBI: You've long been a fan of the various products and services that IHRSA offers. Can you give a few examples of how they've made a difference for The Alaska Club?

RB: The benefits that we've enjoyed have been too numerous to mention, but some of the resources we use continuously include CBI, IHRSA's *Profiles of Success, F.I.T.*, and the IHRSA Buyer's Guide. These print and Web-based publications help keep us informed about what is trending in the industry, and where to find the products and →



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CBI: Echoing several recent IHRSA research reports, you recently observed that the industry is "in transition" and "maturing." What are some of the principal signs of this change that you've seen?

RB: I think we're experiencing the typical life cycle of most products. In the second half of the last century, we saw

our business to emerging trends and meet consumers where they want to be engaged. At The Alaska Clubs, we're currently working to expand our ancillary products and services, reduce our unprofitable activities, and convert our underperforming facilities. On the bright side, I believe that all of the new market segments and niche players are significantly increasing the overall number of exercisers.

CBI: To your way of thinking, what are some of the major challenges the industry faces? And some of the most promising emerging opportunities?

continue rising. As people age, a healthy body becomes critical, and our industry has just what they need. A recently released study documents the fact that, among the elderly, muscle mass is a stronger metric for survival than body weight. This is an area where we can have a dramatic impact.

CBI: IHRSA, increasingly, is living up to the "International" in its name, representing more and more foreign clubs, hosting more and more foreign meetings. How do you see IHRSA growing, evolving, to better meet the needs of a truly international constituency?

RB: I think this is truly an exciting part of our association's growth. We have an opportunity to create a conduit for the exchange of ideas and innovations that will benefit North American-based clubs, as well as our new international partners. A significant number of international operators already attend our annual convention and trade show, and it's exciting to learn about their perspective and ideas. It's fascinating to hear how the club business is developing in different parts of the world, and how it's adapted to address local cultural norms.

"We're experiencing the typical life cycle of most products. In the second half of the last century, we saw the growth of the 'health club' concept. The industry segued into a growth phase, and, now, it's largely matured. The current phase is a very competitive one."

the growth of the "health club" concept. The industry segued into a growth phase, and, now, it's largely matured. The current phase is a very competitive one, characterized by increasing consolidation, new product extensions, and increasing pressure on growth. Our focus on ancillary income and all of the new club formats represent an attempt to break out of a crowded market space. Older, more established products have to compete harder, while new specialty products are enjoying strong demand.

CBI: What are some of the implications of these changes?

RB: Most of us are going to have to be more dynamic and not get stuck in a rut. We need to invest wisely to adapt

RB: Being a club owner is becoming more complicated. The days of building a nice club and just selling memberships to survive are generally gone. Most of the clubs I see are multifaceted business operations focused on a wide variety of revenue generators. In addition, the regulatory environment and operating requirements are straining smaller operators. In the end, the biggest challenges we face as an industry are that we're not effectively penetrating a major portion of the population, and that too many of the people who join our clubs aren't successful in utilizing our product.

Many demographic trends are clearly in our favor. People are living longer, and, despite reports to the contrary, disposable income is expected to con-

CBI: Earlier in your life, you were quite an athlete, competing in, among other sports, the biathlon and cross-country skiing. So, are you up to the challenge of serving as the point person for the global health and fitness club industry?

RB: Time will judge whether I was up to the challenge, but I can say that the experiences and discipline involved in competitive skiing, and a focus on competition, have influenced my life and work history in a very positive way. I feel so fortunate to have been given this new opportunity. I plan on making the greatest impact I can in the short time available. —

— Craig R. Waters, c.waters@fit-etc.com