

Norm Cates' CLUB INSIDER™

The Pulse of the Health and Fitness Club Industry



(L to R) Marvin Gresse, Stephanie Coulon and Larry Conner, Founding Team of Stone Creek Club & Spa



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Stone Creek Club & Spa

“Your Everyday Getaway”

MAY 2013

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Norm Cates' CLUB INSIDER™

The Pulse of the Health and Fitness Club Industry

Stone Creek Club & Spa

“Your Everyday Getaway”

By: Justin Cates

Over the years, regular readers of **CLUB INSIDER** will have noticed several themes that have constantly repeated themselves in our publication. Some of these themes include the constant improvement and modernization of facilities, programs and other member offerings, club cleanliness being crucial to member satisfaction, true staff development and empowerment, outstanding member service that creates results, and possibly the most important, development of TRUST within the community via constant outreach. One of our goals as a publication is to share stories of success in the industry and what these organizations have done to be that way. This month, our study of Stone Creek Club & Spa includes everything mentioned above and more.

When I first met **Larry Conner**, **Stone Creek General Manager**, and **Marvin Gresse**, **Assistant General**

Manager, during the Bash for Augie's Quest at IHRSA 2013 in Las Vegas, I immediately experienced their chemistry as a team. Later, I found out there was a very good reason for this. They have worked with each other for many years at various club operations, each successful in their own right. In fact, Marvin has been working with Larry in some capacity since Marvin was 16 years old. Combined with their complementary educations and industry experiences, they have become a truly great left-hand meets right-hand team.

Delving deeper, though, it doesn't all just start and stop with Larry and Marvin, though they are the ultimate decision makers for fulfilling the ownership's vision of the club. The entire management team at Stone Creek has been there since the doors of the club opened several years ago, and all of them but one have worked with Larry and Marvin at one point or another in other clubs. This has built a unit of core
(See Stone Creek Page 10)



Welcome to the Stone Creek Club & Spa

The “Insider Speaks”

What Do You Stand For?

By: Norm Cates

I was driving down the road in my Beemer listening to my favorite music radio station, Atlanta's 94.1 FM, when the song, *Some Nights*, written by Nathaniel Joseph/dost Ruess came on. For the first time ever, I actually listened to the words of the song, instead of just the

melody. During the song, these following lyrics really caught my ear: **“What Do I Stand For?”**

I returned to my home office, and after that lyric **“What Do I Stand For?”** resonated in my mind, I decided that *now* would be a *great time* to go back to a subject I wrote about in the **August 2009 Edition** of **CLUB INSIDER**: **TRUST**.

Almost four years have passed, but the lesson is still the same with the addition of some new bad actors in our industry. Bad actors such as: **JEFF STEC**, formerly the owner of a bunch of clubs in North Carolina who was banned from operating any health clubs for 12 years by the Attorney General of North Carolina due to his lawbreaking ways. Or, of course, if you're a long

time **CLUB INSIDER** reader, you probably remember **BRIAN HOMAN**'s antics in the Fort Lauderdale area, or **SHANE FRANKLIN**'s activities in California and Nevada, or as of late, **STEVE BORGHI**'s antics in Massachusetts and the Mid-West.

So, for those of you who are long-time **CLUB INSIDER** readers, I might be a
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- Should I Stay Or Should I Go? - Member Retention In Your Club - **By:** Tracey Bourdon
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camaraderie that, for lack of a better term, *infects* every component of the club.

When you then infuse the modern mold of the club because it is a relatively new development, its absolute mission to provide the best service possible to retain members because of its small market and steep competition, a staff that has bought into the vision of leadership and constant community outreach and TRUST-building efforts, you have the ingredients necessary for a truly great and unique club operation that others can learn from. That is just what Stone Creek Club & Spa is, and I welcome you to read on as Larry and Marvin discuss their endeavor.

An Interview With Larry Conner, General Manager of Stone Creek Club & Spa

CLUB INSIDER (C.I.) - Where were you born and raised? Where did you go to school?

Larry Conner (LC) - I was born in Lafayette, Louisiana but was raised in the New Orleans area since I was five years old. I went to the University of New Orleans, earning my BS in Accounting in 1986, and I obtained my CPA license in 1991.

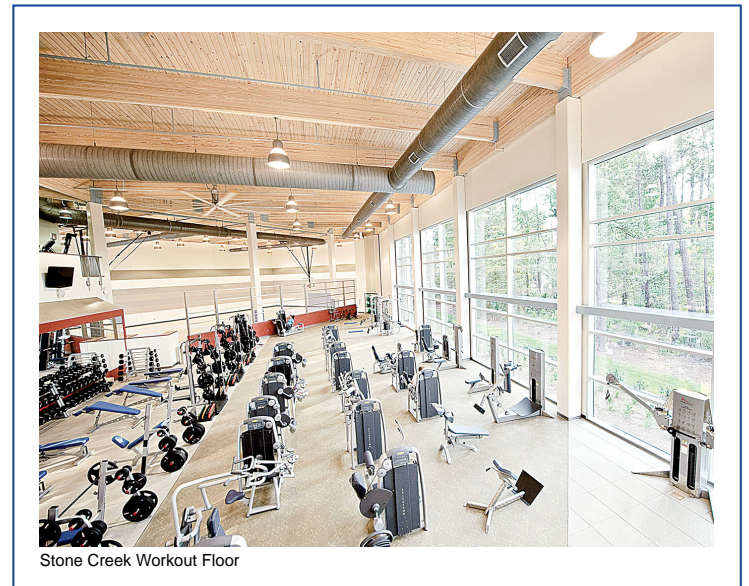
C.I. - When and how did you get started in the health and fitness club industry?

LC - While in high school and college, I worked in a local hotel in many positions (bellman, front desk, restaurant weekend manager, housekeeping supervisor, etc). I loved the service industry, but when I graduated college, I worked in a few accounting positions and then managed a local swim and tennis club. Later, I went to work for one of the member's oilfield service company as their Controller. After that, I realized I was missing the service industry. In 1990, Elmwood Fitness Center was looking for a CFO. They had a little over 5,000 members with 75,000 square

feet indoor. A Savings and Loan took over the club seven months prior from Healthcare International (held loan on club), and they wanted to keep the club and grow it. Two months later, the RTC took it over and put the club up for sale. Ochsner Medical Institutions purchased it approximately ten months later. They immediately designed a 75,000 square-foot outdoor component with a lap pool, resort pool, outdoor basketball court, outdoor sandlot volleyball courts and a poolside café and bar. They also built an 18,000 square-foot kids building with Kidsports and Gymnastics and also converted some of the inside space to Cardiac Rehab and Physical Therapy. During these early years, I was involved in all aspects of the club and developing it as we went, including policies, procedures, software needs, etc. The industry was very young, and there was not a lot to draw from. I loved the management side of the business. We grew the membership within a few years to over 15,000.

C.I. - When and how did you end up at Stone Creek Club & Spa?

LC - I went on to manage Pelican Athletic Club (PAC) in Mandeville, Louisiana in 2003 because there was not a lot of growth potential at Elmwood at that time, and I wanted to go to a company that had intentions to grow. Then, in 2005, I left PAC to manage Franco's Athletic Club in Mandeville, Louisiana to help them grow their clubs. Hurricane Katrina hit in August 2005, took out one of their clubs in Lakeview and changed immediate plans for growth. I learned a lot from these club experiences and still stay in touch with these clubs today. All of this has been instrumental in getting me to where I am now. In early 2007, I was approached by owners of a local company that outgrew their current space on the South Shore of the New Orleans area and needed to relocate the company to the Covington area on the North Shore. They were building an



Stone Creek Workout Floor

office building to lease to their company and other tenants. It was a 4-story building with a conference center on ten acres. In addition to the office building, they wanted to build a high-end fitness center next door with over 52,000 indoor square feet and outdoor space containing twelve tennis courts, a lap pool, a resort pool and an event lawn in a resort-style setting. This was a \$52 million construction project.

In my initial meeting with them, they just wanted general information on what I thought of the floor plan, programming, etc. They had worked previously with a recreation consulting firm on this project. I met with them because a mutual friend asked me to. After speaking with them and giving general opinions, I realized this would be something I would want to do; design, build, and manage a high-end sports club. This is a very competitive area of New Orleans with a population of around 65,000 people with two clubs already serving over 27,000 members combined. The owners wanted to build more of a limited enrollment club with high-end service focusing on the individual in a setting with plenty of space. This was a very interesting concept that caught my attention. This club would have to be different to survive in this area and I felt that they were definitely on to something. I was hired, and along with my initial team, we then managed the construction process of the Office Building, Conference Center and Club.

C.I. - Who owns the Stone Creek Club & Spa?



STONE CREEK
 CLUB & SPA

LC - They are owners of a local, private oil firm. When I met with the main owner for the first time, I immediately felt his passion for this project and that he was doing it for the right reasons. He wanted a club where the members and the employees were happy and proud to be there, and one that was a *true asset to the Community*.

C.I. - How did the company decide on Ohlson-Lavoie Collaborative for the design of the club?

LC - The owners had already hired Ohlson-Lavoie, along with Steve Tharrett, who consulted on the project by the time we came on. It was a great decision.

C.I. - Did Stone Creek win any architectural awards?

LC - We were nominated for an award in 2010 in the Athletic Business showcase. At a national concrete convention, our contractor received an award from the ASCC's Decorative Concrete Council for the pool deck design.

C.I. - What are your primary responsibilities as General Manager?

LC - I am responsible for delivering on the vision the owners had for the club, a limited enrollment fitness and tennis club focusing on the individual in a resort-style atmosphere. Our tagline is: "*Your Everyday Getaway*." In a very competitive market, having a club focused on the individual differentiates us. We do not have a summer camp, any daytime birthday parties by the pool, a swim team, etc... We could make a lot of money from these programs or services, but we feel it would go against our vision and core values. Clubs in this area already do a great job with these services, so we wanted the club to be one where people did not have to work around these programs for usage of their club. This differentiates us. I make the final decisions (acting as President/General Manager) on every aspect of club operations; human
 (See Stone Creek Page 12)



Stone Creek Swimming Pool

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resources, capital purchases, budgeting, marketing, programming, etc. The owners trust the entire operation to us with very little involvement except in major improvements as long as we follow their original vision. They use the club daily and will let us know if something is not the way they wanted it to be.

C.I. - Please tell us about the sharing of responsibilities with Marvin Gresse, Stone Creek's Assistant General Manager.

LC - I am from the accounting side, and Marvin, who has worked with me in every club since he was 16 years old, is incredible on the operations side. This combination complements each other. Stephanie Coulon, Sales and Marketing Manager, also started with me at 16 years old, working with us at two clubs. She was brought on from the very beginning at Stone Creek (she came up with the name Stone Creek) working with Marvin and myself in the design, build out, and startup phases of the club. We have all the business components covered. We all learned this business from the ground floor together and have been involved in all areas. All of our other managers here at Stone Creek have also worked with us at a previous club with the only exception being our Fitness Director, who is new to our team but has been at Stone Creek since opening. I have a Team I can count on. They know what to do and produce great results for our members!

One other thing I want to mention is that our most important asset here at Stone Creek is our **TEAM**. We have an incredible team of employees, and we could not have achieved what we have achieved without their work ethic and passion! We follow our *Take Care Principle* (See **Sidebar on This Page**). We tell our employees that, if you can only remember one thing (it's hard to memorize our Mission Statement, Core Values, etc.), remember *Take Care*.

Take care of each other, and take care of the members. The meaning behind each letter is important, but *Take Care* can stand alone.

C.I. - Please describe Stone Creek; total square-footage, amenities, services, etc.

LC - We have a 52,000 square-foot indoor club situated on 15 acres (25 acres total with the office building taking up the other 10 acres). We have a saltwater outdoor lap pool (heated in winter and chilled in summer), a saltwater zero-depth entry resort pool, event lawn, poolside tower bar, six hard tennis courts, six hydro clay courts and a practice court with hitting wall all situated in a natural wooded environment on the banks of a natural, wetland pond. Indoor components include a full service restaurant (pool and courtside wait service), childcare (indoor and outdoor play areas), a spa with nine treatment rooms, physical therapy, adult executive locker rooms, family locker Rooms, 12,000 square feet of cardio and strength fitness areas, a basketball court and four studios (Group Fitness, Spinning, MindBody and Pilates Reformer). Adult locker rooms include a relaxation area, whirlpools, cold plunges, wet saunas, digital locks on all lockers, full amenities and full time locker room attendants who ensure that the locker rooms and shower areas are kept spotless. We keep floors dry and focus on cleanliness at all times. We also have fully-appointed family locker rooms. On our fitness floors, we have space between machines, and we provide dry and chilled towels as you work out. We bring the chilled towels to the members after each class, and we also deliver these chilled towels poolside and courtside on hot days. We have our Managers on Duty do rounds around the club at least every two hours checking on cleanliness, safety and service. This keeps us always looking and operating the way we should!

C.I. - What are some of Stone Creek's



Tennis Alley at Stone Creek

primary market differentiators?

LC - We have a resort atmosphere focusing on the individual in a limited enrollment club: "Your Everyday Getaway." We cater

to a professional, executive clientele, but kids love us too (48% of our memberships are families). We also offer a 30-day Money club. (See *Stone Creek Page 14*)

Stone Creek Service Principle

Service is defined as the contribution to the wellness of others. You have to want to serve and be happy doing it. It is an innate desire and comes from the heart. Serving others is a noble profession, and this is **EVERYONE'S** duty here at Stone Creek.

Stone Creek's 'TAKE CARE' Principle

Teamwork - Be a team player. Work well with others. A good team gets noticed.

Attitude - Want to be here. Show a great attitude at all times. It's contagious.

Keep it Clean - A clean club is a successful club. Our Club should always look like it did when we first opened. Don't step over trash - Pick it up!

Everyone is the same. Treat everyone like you would like to be treated.

Cordial - Smile and greet people by name. Greet them before they speak to you. Make an effort to get to know names. Make eye contact when speaking with someone. Be genuine!

Always - Always do everything for the right reason. If in doubt about something, err on the side of the Customer. Customers always come first.

Right-of-Way - Step aside in hallways and walkways for a customer. Allow a customer to go ahead of you in line. Give them the Right-of-Way.

Extra - It's all about the *Lagniappe*. That little extra you do for a member, guest, fellow employee, or just in everything you do, makes all the difference.



Stone Creek Tennis Tournament Play

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Back Guarantee, and all memberships are month-to-month. Our month-to-month includes going from any type of membership to another (individual to couple or family or vice versa), and terminations are effective the first day of the next month. We try to make it a hassle-free environment and treat people the way we want to be treated. We have to deliver all the time. We also never discount our membership fees. The enrollment fee and dues are the same for everyone based on if the membership is an individual, couple or family membership. Fees are higher than other local clubs. The enrollment fee is \$550 - \$800, and monthly dues range from \$108 - \$207 plus sales tax. We wanted a club where we treat everyone the same no matter who they are or when they joined. We also pay our employees more or on the top end compared to other clubs and/or other hospitality industry positions. Most importantly, we treat them like we want to be treated. We have an incredible Team, and they are the reason for our success in every way!

C.I. - How many members and membership accounts does Stone Creek have?

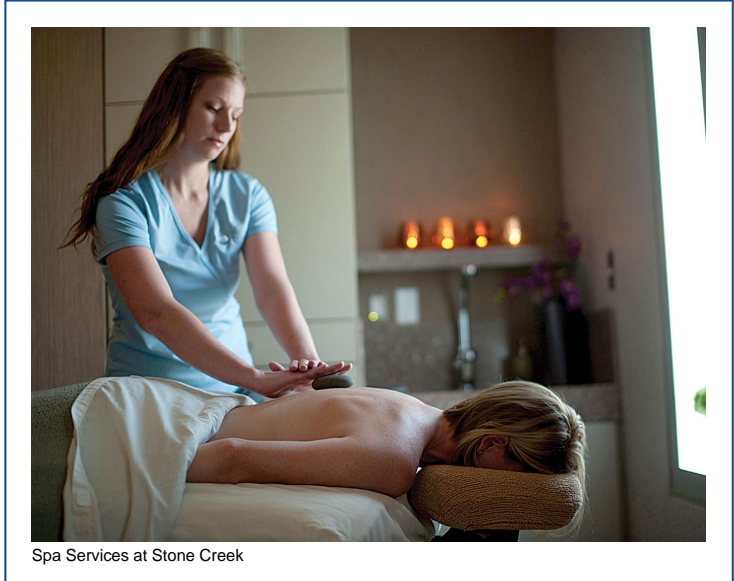
LC - We opened in June 2009 with 480 memberships. We now have over 1,600 memberships with 4,100 members. We have never had a negative net membership month since we opened. We are growing at an annual rate of 12 - 15% with annual revenues approaching \$6 million this year. We focus on keeping our members, which shows in our 14% annual attrition rate. Our local population is small, so we have to focus on retention.

C.I. - Please tell us about your charity and community activities.

LC - Before we opened, we approached a very well known local charity (Rich Mauti Cancer Fund), which has put on a very

popular local tennis tournament for over ten years. They had taken a break for a year, so we asked if they would consider bringing it back and having it at Stone Creek? They took a chance, and we put the first one on three months before we opened the club. We held it on 10 courts (2 were not finished), and the food and party was under tents in the parking lot. It was very successful, the best to that point raising over \$40,000 net for the charity. The Tournament has been awarded the Louisiana Tournament of the Year and Charity Tournament of the Year by the LTA. We have now put on four more, and this year's raised over \$70,000 net just last month.

We also put on our annual Twilight Run and poolside party for the Michael J. Fox Foundation for Parkinson's Research, which raised over \$51,000 net for them on April 19th. On April 20th, we had a party on our event lawn for ACCESS (a local charity which funds equipment needs for families with children with disabilities which insurance will not cover), which raised over \$35,000 net for them. We will close out our three months of giving back with these two upcoming events: An event on May 31st and June 1st (the Woods and Whites Tennis Gala for Hartley's Hearts, a charity that raises money for lifesaving heart surgeries for children who cannot normally afford this which is expected to raise over \$70,000 net for them). Then, our final event will be for the Wounded Warrior Project (WWP). We will line our street with 500, 3-foot American Flags from July 4th - July 7th, showing our Patriotism and Support for America's Heroes. We will have dedicated workouts, flag dedications and events raising over \$15,000 for the WWP. In these three months, we will have helped these charities raise over \$235,000 net. The club donates usage of the facility, employees' wages, some supplies, and in some cases, direct contributions to these charities. These are charities the club has adopted and will continue to work with,



Spa Services at Stone Creek

but we also contribute dollars to all local high schools, MDA, different community events and many other charities and school fundraisers.

C.I. - Please tell us about your IHRSA Las Vegas experience.

LC - It was a great show. I was inspired by keynote speaker Bert Jacobs' unique Halloween Fundraiser (pumpkin carving and party). After attending this, it made us think of what we could do to have this kind of impact, and we came up with a fundraiser for the Wounded Warrior Project (WWP), which I previously mentioned. Each of the flags lining our street can be purchased with a \$25 donation to the WWP, and a dedication can be written on a ribbon on the flag. We will fly the flags from July 4th - July 7th. It will have a great visual impact while financially helping a great cause! IHRSA is also a good time as usual to catch up with everyone since the last convention. Plus, it always allows our team to have some away time to make some decisions without the distractions of daily work. We also presented at the convention with a session called, *Manage by Example: Creating a Culture of Service Excellence*. It is very rewarding to be able to give back what we have experienced over the years. We are looking forward to next year!

C.I. - How does being a member of IHRSA affect Stone Creek and its service delivery to members?

LC - It keeps us informed all year long on what is going on out there. Plus, we do a

lot of catch-up at the convention on the latest trends, programs and services other clubs and operators are utilizing. We are also members of the REX Roundtables, and combined with IHRSA, any question we have on anything in our business can be answered through these contacts and relationships. These are great sources of information and great support groups when needed.

C.I. - Where do you hope to see Stone Creek go over the next five to ten years?

LC - We would like to perfect this model as best we can and duplicate it (or add to it) in another local market or surrounding our property. Maybe we can add new dimensions not presently thought of, which may add to or complement our services. Of course, we always want to provide the best member service possible!

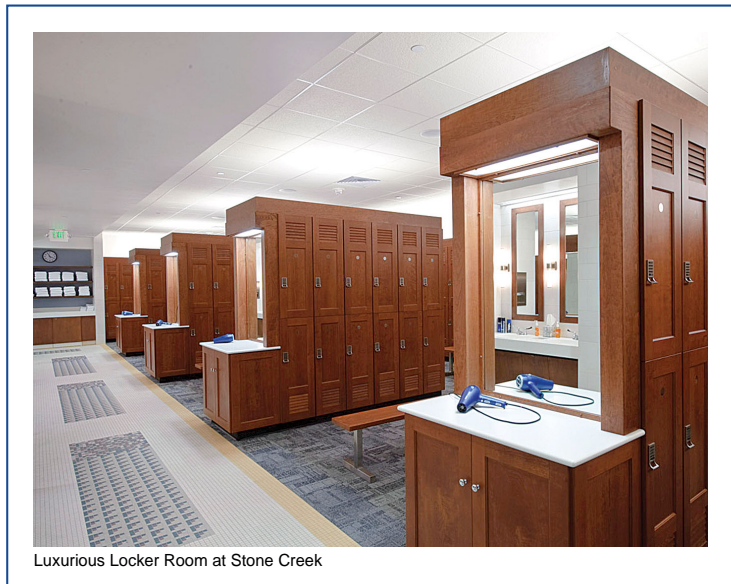
An Interview With Marvin Gresse, Assistant General Manager of Stone Creek Club & Spa

CLUB INSIDER (C.I.) - Where were you born and raised? Where did you go to school?

Marvin Gresse (MG) - I was born and raised in the New Orleans Area. I attended L.S.U. and the University of New Orleans. I graduated from the University of New Orleans with a BS in Business Management.

C.I. - When and how did you get started in the health and fitness club industry?

MG - The fitness business is the only field I have worked in, and I love everything about it; the business, members, colleagues, suppliers, life-long relationships and the positive impact fitness has on an individual's life. I started at 16 years old at Elmwood Fitness Center, a 160,000 square-foot, hospital-owned facility, in a sports performance training center. I worked my way through all departments of the
(See Stone Creek Page 16)



Luxurious Locker Room at Stone Creek



STONE CREEK
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 CLIENTS REACH
 THEIR GOALS.
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 SAME FOR YOU.**



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business, from fitness, pool maintenance, KidsSports kid's center, food and beverage, housekeeping, front desk, membership sales, manager on duty, satellite club manager, etc. I worked at Elmwood for ten years and learned invaluable lessons of our great industry during my time there. After graduating college, I moved to Pelican Athletic Club as Operations Manager for a year and a half. Then, I moved to Franco's Athletic Club as Director of Operations for three years.

C.I. - When and how did you end up at Stone Creek Club & Spa?

MG - We were approached by the owners and developers of Stone Creek to come on board during the design and development phase of the club. Having the privilege to work on the development, construction administration and Start Up Team of Stone Creek is a highlight of my 19 years in the Fitness Business. Larry has already talked about that, but I started January 1st, 2008.

C.I. - What are your responsibilities as

Assistant General Manager?

MG - I handle Special Events and Charitable Activities, day-to-day operations, capital purchases and club expansions (presently managing a half million-dollar building improvement campaign), long range planning with our Architectural firm, Ohlson Lavoie Collaborative, employee development and training, facilities, directly overseeing food and beverage operations and anything that can improve our member experience at Stone Creek.

C.I. - Please tell us about your IHRSA Las Vegas experience.

MG - IHRSA Las Vegas was a packed week with seminars, networking meetings with colleagues and trade show activity. We are under a half million-dollar renovation right now, so we had several equipment and service vendors to meet with. I felt like the entire week was high energy and full of excitement with the growth of our industry. An obvious highlight of the week was Augie's Bash and seeing Augie leg press at the Gala. The entire room was moved, and you could feel the positive energy!

C.I. - Please name some of your other key staff members, their duties and tenures.

MG - The club will be four years old on June 29, 2013. Considering this, all present managers have been with us since we opened. They are an incredible group of people to work with and each brings expertise in their field to the Club.

- Stephanie Coulon, Sales and Marketing Manager;
- Brett Custer, Tennis Director;
- Michelle Gelpi, Accounting Manager;
- John Villani, Maintenance/Housekeeping Director;
- Katie Santangelo, Spa/Member Service Desk Director;
- Shelly Minkin, Childcare Director;
- Erica Alexander, Fitness Director;
- Anthony Willis, Assistant Maintenance/Housekeeping Director;
- Sean Solomon, Kitchen Manager;
- Brittany Krause, Assistant Spa/Member Service Desk Director.

I would also like to note that our involvement and membership with REX Roundtables is an invaluable part of our career development and management

of the club. Larry and I have a greater understanding of all facets of our business working with the REX clubs. The resources and knowledge gained from REX is the best investment of our time to strengthen our industry involvement.

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Thank you very much to Larry and Marvin for their time and help with this story, and of course, their contribution to the industry. Thank you also to Stephanie Coulon for providing photos and graphics.

(Justin Cates is the President and Assistant Publisher of CLUB INSIDER and grew up in the health, racquet and sports club industry. Justin was born into a club business family in 1985, and from the age of eight, he spent his non-school and sports hours in a home which doubled as CLUB INSIDER Headquarters. He has lived and breathed this industry for 28 years, since his own day one. Now, he is an integral part of the "Story" of Norm Cates and CLUB INSIDER. Justin may be reached by phone at 770-595-6086 or email at Justin@clubinsideronline.com)