

Starting Strength

Observing Fifty Years of Gym Evolution (Part II) as experienced by Tommy Suggs

The dynamics of rapid growth in the gym business consisted of three separate factors that evolved separately but were dependent, in the final analysis, upon each other. The giant leap forward in the development of machines was the spearhead of the gym renaissance. A primary source of this advancement was Art Jones. Art designed exercise equipment based upon a new concept. I remember Art from some of the National Olympic Lifting Championships and Mr. America contests. He had a few of his exercise machines on display, and would demonstrate how to use them and give his sales pitch to anyone who would listen. He called his new design Nautilus. Art's Nautilus exercise equipment was destined to be an important development that would help shape the destiny of the gym business by offering the public something new, revolutionary and based upon an idea that was touted as scientific. It made exercise easier with overtones of being the latest in science being applied to fitness. These two concepts, easy and scientific, made training a little more acceptable to a public that was beginning to recognize that their level of fitness was something they needed to consider.

Resistance exercise had long been the recognized standard for toning the muscles and "getting in shape." The Nautilus system of training made resistance exercise easy, and therefore more palatable. Exercise no longer required straining and sweating with those cumbersome free weights that might cause you to throw your back out or something else just as ridiculous. Just sit or lie down and push in the direction the machine required. It was the answer to a prayer for the individual feeling the pangs of guilt from not exercising and looking for the easiest and most effective way to a satisfactory level of fitness. Training with free weights took considerable instruction and effort, and represented the old and less-effective way to fitness. Nautilus was new, scientific, and easy to learn. New and scientific was just what America's general public demanded of all consumer products. Nautilus was instrumental in overcoming the obstacles that had kept money and big business out of the gym business. Nautilus, and other exercise machines that quickly followed, opened up the door to mass marketing and the money that flows from developing a product to satisfy the needs they create.

First a personal story about my first exposure to Nautilus equipment and its creator, Art Jones. After a recommendation from the high school trainer that discouraged me from training with weights, the NFL team The Houston Oilers hired me as their first strength coach. That was in 1972 when I had my gym business and was spending considerable time ranching. Consequently my duty as strength coach was on a part-time basis. I would drive to Houston twice a week to start players on their strength program and supervise those who had been training for some time. My Oiler program was based on the Big Three presented in Bill Starr's book, *The Strongest Shall Survive*, with a few assistant exercises added. I was also present at the mini-training camps and was full time during pre-season camp. It worked out well for both parties.

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I had been working for several months and the players were making great gains. Then the general manager, Sid Gilman, decided that the team needed the latest in scientific exercise equipment: Nautilus. I really had no say in the decision to change the strength program from free weights to machines. The general manager had decided and that was that. So I was flown to Art Jones's headquarters in Florida. At that time Dr. John Gourgott was the strength coach with the New Orleans's Saints. John was a close friend and I wanted his opinion on this developing phenomenon in weight training equipment. John flew in from New Orleans and we met Art at his headquarters and manufacturing facilities.

Art Jones was a character if he was nothing else. He was pleased to have us as guests and rolled out the red carpet. He loved to have someone to tell his story to. He explained how he computed the shape of a cam by plotting the strength of a muscle at various points so that the muscle would not have strong or weak areas, sticking points, during an exercise. He informed us that the first Nautilus machine was still in Africa, where he had thought up this new approach to exercise. Art had made a name for himself in wildlife filming, which explains a Nautilus machine in Africa. In fact he insisted that John and I see a couple of his films. They were well done and his films were often shown on "Mutual of Omaha's Wild Kingdom."

We went over to train and experience a new method of training – negative resistance. It was new to Art, but Terry Todd and I had experimented with this method of training five or six years earlier. The idea had come from Dr. John Ziegler, of isometric training fame. Doc had a nose for new methods of training. One of them was using springs when training in an effort to reprogram the muscles to move past the sticking point. Many years later this training came into vogue, but we just didn't have time to test all of Doc's ideas. We were too concerned with keeping strong with proven methods. However, we did spend a couple of months training with negative resistance. We did our training in the basement of the Hoffman Foundation where Terry lived. It worked and I got strong. We, of course, used the power rack and many hundreds of pounds. Moving very heavy weights up and down in the power rack for every movement was monumental. The problem was that it took two mules and four slaves to be able to train. Our experiment was cut short due to some changes in relationships with Dr. Ziegler and other personal situations around York Barbell.

I told Art about my experience with negative training. He was all ears. I described to him how I had intended to build a machine that worked on hydraulics and would eliminate the need for assistants. He liked the idea and we even worked out some of the details, but nothing ever really came of the idea. I know that there are negative machines now. In fact, Art showed us a curl machine that had been just completed. Gourgott couldn't wait to try it out. He was an arm freak from the get-go. I still remember John in Art's manufacturing facility testing out the new machine. The legs were used to push on a lever that helped raise the bar to the completion position. Then the pressure was removed from the lever and the weight was resisted on the way down. John did several reps and then looked over at Art and me and said, "Dynamite."

Art was one for publicity. He arranged for a study to be conducted to prove the superior results that training on Nautilus equipment could provide. The exact details regarding the length of time of the experiment escape me; the study is on file somewhere. But here are some pertinent points. Art and a well-known physique athlete, Casey Viator, would be confined in a control area. Their intake of food and supplements would be monitored and the participants would be allowed to train only on Nautilus equipment. No other weight training equipment was allowed. Their body weight, measurements and strength were recorded. This was to last for several weeks. At the end of the test period each person's progress would be evaluated. After a couple of weeks Art had to leave the study due to business

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commitments. However, Casey continued until the final curtain. But Art was dealing from a stacked deck. Art was sly.

Casey was a champion physique contestant who had not trained for a couple of months and had purposely lost considerable body weight. There is no way that he would not show unrealistic progress as compared to what the average person could expect. Add to this situation a muscle building steroid, Dianabol, in generous amounts and you have a formula that can't help but produce spectacular results. The people conducting the controlled study didn't even know what steroids were and so took no notice. Needless to say, the results of the test proved the superiority of Nautilus exercise equipment. This study added considerable credence to the public's attitude that there was a new, scientifically proven and easy to use training system that produced phenomenal results. These were tainted facts, but they created a demand for a place to train that made available this latest fitness panacea. Of course big business is always willing to satisfy, at a profit, such a demand. That's the way it evolved: the public's increasing acceptance of exercise combined with a proven state of the art system of training that promised the most with the least amount of effort made the gym business ready for the big time.

The gym industry was ready for a one-two stimulus package that would move it from a mom and pop operation to a Wall Street darling. Marketing took fitness and ran with it. Newspaper articles quoting research studies indicating that good health was not possible without physical exercise made an appearance on a regular basis. Talk shows had fitness experts rev up the public's awareness of their need to exercise. It was usually mentioned that the problem was that individuals did not know how to train, and therefore needed to join a gym where they could get proper instructions. You most certainly did not want to lift those old free weights in your garage and hurt yourself. You also didn't want to do your cardio work in the rain or snow. Fitness was a must and the only way to get it was with the latest equipment, both exercise and cardio, that could be found at your local health club that was as sociably acceptable and as comfortable as your country club. The time was right and the public demand for a place to train became a reality. But how could a small gym owner afford all this expensive equipment and a glamorous building to house it?

The money people came to the rescue. Due to the surging public demand, a "new generation gym business" was viewed as a viable business. All a person needed was money and a plan. The plan consisted of financing the equipment, and the building or leasehold improvements. This was fine, but how to make those staggering monthly payments? Charge the members enough to make the payments and have some leftover for a profit. But how are members going to afford to pay this considerable sum? Finance the membership dues so that members could afford them. It was all done with credit mirrors.

An adequate cash flow is maintained by financing long-term memberships through banks. A constant influx of new members is the life blood of these gyms. The managers are only worried about hustling new memberships. If the gyms quota of new memberships is not met, financial trouble looms. Of course they don't have time to train people, so personal trainers, instead of employees, handle that responsibility. Most large gyms offer easy access to a great facility with wonderful equipment for a price that the member can afford because of financing. Some gym businesses kept the notes "in house" and collected the monthly payments and pursued late payments themselves. Others needed the cash up front and discounted the notes with a financial institution who would manage the collection process. They actually sold the contract to the "acceptance company," sometimes an outside corporation, and sometimes a wholly-owned subsidiary of the franchising company, and were paid cash for the member's obligation. In this way, cash flow was not dependent on collections, but rather on sales.

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Gyms no longer took a passive posture when it came to sales. Sales personnel who knew little or nothing about exercise were employed to hustle sales. Financing was not the only tool used to increase “up front” revenue. Some individuals came up with very creative marketing ideas in an effort to keep the life sustaining cash flowing.

One of the more successful and inventive schemes was hatched by Jim Moser. He had devised another way for gyms to make a lot of money. Bill Starr was living with me at the time. He and Jim had become good friends and Bill was training Jim, most of the time by phone. Jim had hit upon a scheme to make money *out* of – not *in* – the gym business. It required almost no work on his part as his wife did all the work. Jim had time to train while his wife made a living – not unusual for lifters in those days. The point here is not working wives, but the details of the money-making scheme.

Jim would approach a gym owner and make him a proposition he couldn't refuse: a generous increase in cash flow while the gym owner didn't need to do anything but allow new members the use of his facilities for a short period of time. Jim's wife, Lynn, would go around town to various businesses and ask to put up a sign, with their permission of course, that said that if an individual signed up they would receive a chance to win a trip to Hawaii. All they had to do was sign their name and leave a phone number. Lynn would go by daily and pick up the new names and numbers. Many hundreds of people signed up. She would contact the person, tell them that they had won a “consolation prize” of a two-year membership to the gym (normally worth \$750), set up a time to talk with them, and give her sales pitch. All they had to do to claim the membership was pay the maintenance fees of \$48 per year, a total of \$96 for the two-year membership. If they joined she would take them through their workout.

About half joined, since \$96 was a steal compared to \$750. The trick was that these were people who would not normally join a gym, and were just doing so because they perceived a “deal.” They would – almost without exception – come for two or three workouts and never come back. This, of course, gave the gym owner an increased cash inflow without any effort on his part. Even with Jim taking his cut out, the owner had more money in the bank, and that is all most owners were concerned about. This went on for several months, until the money well went dry, and Jim would move on. The promised trip to Hawaii was, of course, given, and business traffic in the gym was back to normal a few weeks after the promotion ended. Nothing underhanded, but it gave many gyms the shot in the arm needed to keep the business afloat or to take it to the next level. Many other companies have since used a variation of this idea, and it still works very well.

There is another marketing and financial aspect that made, almost overnight, millionaires of gym owners who had established a reputation for being the Champion's gym of choice. Their names ranked high in public recognition surveys and made them perfect candidates for the new overnight fortune maker – franchising.

Gold's gym was a perfect example. I didn't know Joe Gold well at all. However, I did know Dr. John Gourgott, who was Joe's close friend, personal physician, and a Vice President in his organization during the late nineties. Dr. John had been a personal friend since we first met in the fifties at a contest. In fact Dr. John, along with Joe Gold, had arranged for a considerable amount of used exercise equipment to be donated to establish a gym on the Rosebud Sioux Reservation. Dr. John and I talked about the gym business, but I must admit that no insider information about Joe's franchising success were discussed or revealed. I will present a scenario based upon my discussion with people in the gym business and my exposure to other franchising situations during my tax and accounting days.

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Franchising is about name recognition and providing expertise in the business of the franchiser, including help with arranging the necessary financing. As sales continued to increase to higher and higher levels, the race was on to see who would get the biggest slice of this just-out-of-the-oven money pie. Name recognition offered such an advantage that it was considered very valuable. Individuals seeing the gym business exploding and wanting a piece of this new money pie were willing to pay to use a recognizable name with a good reputation and a strong draw. The added asset of expertise, accumulated through years of experience, regarding how to equip and manage a gym represented value well worth considerable bucks. The franchiser's primary income was not from a gym, but from renting the name and the knowledge. And many struggling gym owners suddenly became rich with this marketing assistance.

What do I see now concerning the current situation in the gym business? The new-age gyms are still expanding and hustling new members to keep their cash flow up so they can pay high operating costs and make large note payments. Then there is the other side of the gym business. There are still gyms around being run the old-fashioned way. They have considerable basic equipment with a few machines. Some offer training supervision while others let members train on their own or with a paid trainer. These gyms will survive because they have balanced their overhead with income from regular and dedicated members.

There are a few of what I call traditional gyms that will do very well because of a strange quirk in some trainees' minds. Hank's gym in Houston, Texas is an example. I don't even know if they are still in business. I trained with Hank Braker some during my college days. Hank opened up a well-equipped gym before the exercise machine revolution. The equipment revolution came with its high finance and franchising. Hank's stayed the same. The gym never was much of a money maker, but Hank didn't mind as he had other sources of income. Then the word started spreading – who knows the source – that if you really wanted to train with weights and not just hang around a country club with exercise equipment, Hank's was the place to go. It became fashionable to go gym slumming if you wanted to really get results from training with weights; Hank's offered the real thing. Many of the gyms that offer real training still exist.

But there is another gym animal – almost extinct – that continues to exist in the shadows of the new age chain gyms. There are still gyms that survive because of the X-factor mentioned earlier. Members often move from considerable distances so they may live near these gyms and train in their rarified energy. These gyms are not easy to find. They thrive in an underground atmosphere. You usually need to know someone who trains there to find out about them. They don't advertise. They just exist, and provide the equipment and a space for the special energy that is an indispensable ingredient in reaching a level of strength and proficiency most trainees only dream about. To find these gyms you ask around. Ask Rip, as his gym is one of these places and he knows where the others are located.

The gym business has come of age. There are many options now to choose from. This is good, since any person wanting to just get in shape or train for competition can find something that will suit their fancy. As for me, I will just train in my garage. If I were a young man starting over I would do one thing different: I would find a gym that furnished proven instruction and possessed a measurable degree of the X-factor. I think of the many years I spent training incorrectly where my progress was dishearteningly slow and many times nonexistent. Basic equipment, proven instruction, and an ever-increasing level of the X-factor would be my requirements for a place to train.

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