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A photograph of a middle-aged man with grey hair, smiling broadly. He is wearing a light-colored, vertically striped button-down shirt and dark trousers. He is sitting on a set of concrete steps, leaning forward with his arms crossed. The background is a plain, light-colored wall.

## Nordic Market Maker

**DEPUTY CEO DAG LEE  
EXPLAINS HOW SATS  
BECAME THE DOMINANT  
PLAYER IN THE REGION**



SATS' success satisfies  
Deputy CEO Dag Lee

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In just 13 years, SATS has grown from a single club in Oslo to the largest club chain in Norway, Sweden, Denmark, and Finland. Its bold exploration of different ownership and business models has produced an empire of 108 wholly owned, 41 licensed, two franchised, and 21 corporate onsite facilities, with annual revenues of \$226.9 million. For the past seven years, deputy CEO Dag W. Lee has played a critical role in its growth.

Cover & Above: Tracy Powell

### **40 Be a Pro Shop Pro**

If considered, organized, and managed like any other serious retail business, a club's pro shop can produce a host of rewarding benefits

### **45 Making Disney Magic**

Disney University guru Doug Lipp will delineate the new relevance of customer service at IHRSA's 4th Annual Profitability Conference

### **50 New Knowledge Base**

The IHRSA Institute may have set the standard for continuing education, but these club companies have obviously learned a few tricks of their own

# DOUG LIPP: Secrets to 'Spectacular' Customer Service

By Patricia Amend

**Doug Lipp has an important message to impart to IHRSA club owners:** no matter how large or small—or how legendary—a particular business operation may be, *every* company needs to constantly reinvent itself in order to retain its appeal in an ever-changing marketplace.

One especially promising way to do so is by recognizing that the ins-and-outs of cultural diversity are an essential part of that process. Understanding that critical fact helps operators make customers of all kinds feel both welcome and well served. →



## Secrets to 'Spectacular' Customer Service

No matter how large or small, or how legendary, a particular business operation may be, every company needs to constantly reinvent itself in order to retain its appeal in an ever-changing marketplace, Lipp insists.

Lipp, the former head of training at Walt Disney University, will share his invaluable insights as a keynote speaker at IHRSA's 4th Annual IHRSA Profitability Conference and 27th Annual National Fitness Trade Show, which will be held this month, September 8-11, in Las Vegas. His topic: The Magic of Exceptional Customer Service.

Lipp's diverse and international business background informs his expertise. He's the author of six books, including *The Changing Face of Today's Customer*. Fluent in Japanese, he also helped develop Tokyo Disneyland in Japan. After leaving Disney, he worked at the Roseville, California, factory and the Tokyo, Japan, headquarters of the NEC Electronics Corp. In 1993, he established his own private consulting practice, G. Douglas Lipp & Associates, in Fair Oaks, California. The firm, which serves clients in the U.S. and abroad, deals with such topics as leadership, cultural diversity, and domestic and global customer service.

He also understands the importance of fitness and the dynamics of the health club environment. He's a member of the Gold River Racquet Club, an IHRSA-member facility in Gold River, California, where he enjoys stretching, weight training, doing cardio workouts on an elliptical trainer, and "beating my son at ping-pong."

Lipp oversaw the well-known "Traditions" orientation program and other leadership courses at Disneyland. In the mid-1980s, he helped change Disney's corporate culture from the self-assured "We're the best; why change?" to the progressive "Don't rest on your laurels" culture, which remains in place today.

"We learned the hard way that success breeds arrogance, and arrogance can lead to complacency," Lipp recalls. "Complacency can come in many forms, and one of them is the *one-trick pony*. In other words, you ride your successes-to-date well beyond their effective lifespans. The key to getting beyond the one-trick pony is to level with yourself and admit that the way you currently conduct business may be out of date. Having the oldest or best-known name in the community might no longer be the key to holding onto existing customers, or to attracting new customers and employees. Perhaps your customers would like services that you don't currently provide."

"With his vast experience at Disney and other companies, Doug knows that, particularly in our highly competitive marketplace, complacency can undermine a club's success," observes Joe Moore, IHRSA's president and CEO. "He's also keenly aware that reaching out to *all* members to make them feel welcome and well-served is vital to any club's growth and profitability. I'm certain that, at this



Doug Lipp

year's Profitability Conference, he'll challenge the conventional thinking in these areas. We're pleased to have him as a featured speaker."

To remain successful, Lipp suggests that operators consider these key questions:

- Do you know your competition well?
- What's your competitive edge—right now?
- What steps are you taking to maintain that edge?
- What's your ultimate purpose, i.e., your vision, mission, values?
- Do all of your company's leaders and employees know, live, and breathe the vision, mission, and values that comprise the "culture" of your organization?
- Does your facility offer a balanced environment with friendly staff and up-to-date amenities?

When it comes to cultural diversity, Lipp notes that companies often make the mistake of assuming that today's world has a standardized culture based on American values. "Such an arrogant attitude is a prescription for economic disaster in today's culturally diverse marketplace," he warns.

For example, you may have a large population of potential customers representing different cultures living nearby, but your club's atmosphere or environment may not appeal, specifically, to these different groups. As a result, they're not tempted to join, or to make use of your products or services.


How can you prevent this from happening, while, at the same time, keeping your club profitable?

"One way is to make use of cultural focus groups—members of your local community who know about or represent these new demographic groups," Lipp recommends. You should never assume, he says, that you know how to market to a particular cultural group, either of customers or employees. In *The Changing Face of Today's Customer*, Lipp talks about what he calls the Great Marketing Blunder—how organizations can turn off the very groups they want to attract—illustrating the notion with the following example:

The Wisconsin Tourism Agency wanted to attract African-American tourists to Wisconsin, and utilized video and print media that had been "designed" for that demographic. However, because the video voiceover was provided by a man with a heavy, "southern, laid-back" accent, and the background music was Dixieland jazz, the target audience was annoyed and alienated. A common reaction was, "If we wanted a New Orleans environment and feel, we'd go there. We want to go hiking, camping, and ice fishing—not to Mardi Gras!"

The gap between New Orleans and Madison, Wisconsin, is 907 miles—it's the sort of miscalculation you don't want your club to make. —

- Patricia Amend, [pamend@aol.com](mailto:pamend@aol.com)



“Doug knows that, particularly in our highly competitive marketplace, complacency can undermine a club's success,” says Moore.