

Inc.

Flat broke at the age of 21, Joe Cirulli made a list of 10 things he wanted to accomplish in life. One by one, he pulled them off—and built a health and fitness empire.

(Maybe there's something to the power of positive thinking, after all)

# The Believer

By Bo Burlingham  
Photographs by Michael Edwards

Travel all over the world

Travel all over the United States

Save \$1 million

Own a home in the mountains and one by the ocean\*  
\*Build another for my parents

Own a Mercedes-Benz like the one driven by the Six Million Dollar Man

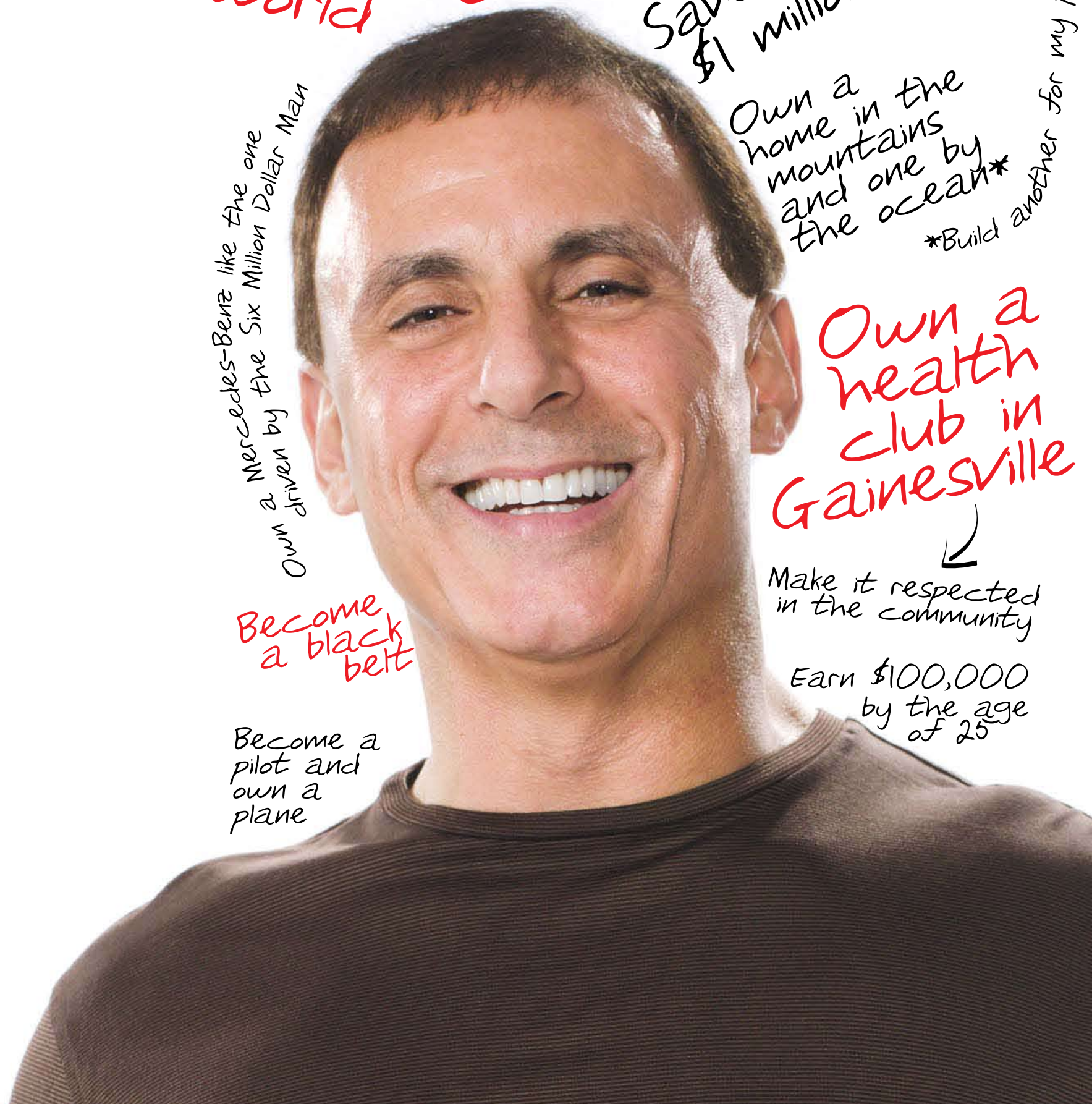
Become a black belt

Become a pilot and own a plane

Own a health club in Gainesville

Make it respected in the community

Earn \$100,000 by the age of 25



## It's a warm Thursday evening

in Gainesville, Florida, and the Gainesville Health & Fitness Center on Newberry Road is ablaze with activity. Downstairs, about 70 members stare at television screens as they run, walk, climb, and pedal furiously in the cardio area. Over at the indoor basketball court, a group of sweat-drenched players is leaving, and another group is taking its place. In the pool area, an instructor is counseling half a dozen arthritis sufferers who have shown up for aquatics exercise therapy, while a guy with a military haircut endures the 50-degree water of the cold plunge pool and some of the older members hang out around the whirlpool and sauna.

At 66,000 square feet, this is the largest of the three health clubs and four rehabilitation centers that compose Joe Cirulli's local fitness empire. An intense, compact, clean-cut fellow, Cirulli has been lifting weights ever since he got his first set at the age of 9. For 46 years, he has worked out five or six days a week, every week, usually at 5 in the morning. Nevertheless, you probably wouldn't mistake him for Charles Atlas, dressed as he is in the uniform of GHFC managers—a cobalt-blue shirt, tie, dress pants, and spit-polished shoes. "We all dress up," he says. "When I started working in health clubs, the girls were all in leotards, and the guys in tank tops, and I could see that some of the customers were intimidated by that. So we dress up and take them off guard."

Just then, he happens to catch the eye of a man who could, in fact, be mistaken for Charles Atlas. He's blond, middle-aged, and muscular, wearing a tank top over his ripped torso. He gives Cirulli a big hug. They chat for a minute, and then Cirulli moves on.

"That's Michael," Cirulli says. "He died here."

He died here?

"Yeah, I was at Starbucks one evening and decided to come back to the club. When I walked in, he was lying there with two doctors, club members, standing over him. He was blue, and he didn't have a pulse. The doctors were trying to do mouth-to-mouth resuscitation. They didn't know I'd bought an AED [automated external defibrillator] for each of the clubs. I went and got it, and they put it on his chest and gave him a jolt. Nothing happened. They increased the voltage and tried again. Nothing happened. They increased it again. Nothing happened. They tried one more time, and he sucked in air. I mean, you literally could see him come back to life. He started burping. One of the doctors asked him, 'Do you know where we are?' He said, 'Yes. At church.' The doctor said, 'No, you were working out. You weren't breathing. I'm standing there thinking, Oh, man, what a great investment that was!'"

"Turned out he'd done a big workout after not working out for a while. When he stood up too quickly, he got dizzy, passed out, hit his head, and swallowed his tongue. He suffocated. Four years ago. He was 46. He has a wife and two girls. So he always gives me a big hug when he sees me."

Cirulli may have one of the four best fitness businesses in the

world (according to a British industry expert) and the best in the United States (according to an American one), but his company has as much to do with saving lives as with pumping iron and going to spin class. Indeed, he and his colleagues at GHFC decided in 1999 that their mission should be to make Gainesville the healthiest community in America. Four years later, it became the first and only city ever to receive the Gold Well City award from the Wellness Councils of America. Previously, the best that any city had done was bronze. The accomplishment led GHFC to modify its mission. Now the goal is to *keep* Gainesville the healthiest city in America—"one person, one business, one child at a time."

Those aren't just words. The company offers programs aimed not just at promoting fitness but also at alleviating a variety of chronic ailments and helping to solve long-term medical problems. It has pioneered the use of specially designed exercise machines to relieve neck and lower back pain. It has been a leader in using hydrotherapy to treat arthritis. It has tackled childhood obesity, and thus the prospect of a diabetes epidemic, by holding events at schools, developing weight-loss programs for overweight teens, and offering high school students free use of its facilities in the summer from 6 in the morning until 4 in the

**"We believe we can have an impact on our community," says GHFC marketing director Debbie Lee, "and in our minds we have an obligation to do it."**

afternoon, as long as their parents approve. Twice a year, it holds a Family Fun Fitness Day to encourage everyone in the community to be more active.

Granted, some people might say that all that is simply effective marketing. Cirulli, for his part, makes no bones about his desire to attract and retain as many members as possible. Indeed, GHFC signs up around 10,000 new members a year and has a retention rate of 77 percent, well above the industry average of about 60



TOP OF THE HEAP

Seventy-seven percent of GHFC members keep coming back. The industry average: 60 percent.

percent. That ability to attract and retain members translates into sales of \$16.7 million a year, with one of the healthiest pretax margins in the industry.

Perhaps even more remarkable than GHFC's financial performance is its commitment to serving people who have never been—and probably never will be—club members. The campaign to win the Gold Well City award grew out of that commitment. "We believe we can have an impact on our community, and in our minds we have an obligation to do it," says Debbie Lee, GHFC's marketing director and the point person in the campaign.

The impact has been huge. The Well City campaign alone brought together people from throughout the community, including people from hospitals, businesses, government organizations, *The Gainesville Sun*, the University of Florida, and the local community college. Obviously, many factors are driving the burgeoning trend toward workplace wellness, not least the explosion of health care costs and the demonstrable effectiveness of wellness programs in holding them down. And yet what has happened in Gainesville is also part of another story—a story about how one man's obsession with self-improvement can imbue a company and then spread from that company to an entire community, and from that community to other communities far and wide.

THE EMPLOYEE HANDBOOK of Gainesville Health & Fitness is a 53-page document, prosaically entitled *Customer Service Manual*, that spells out in minute detail things such as the rules for interacting with customers and a description of what Cirulli and his team want to see happen in the next 10 years. A particularly revealing passage can be found on page seven, under Core Values, one of which is Creating Our Own Future. It reads, in part, "Our greatest power is the freedom to choose; we decide what we do,

what we think, and where we go.... We can do what we want to do; we can be who we want to be. We develop our own future by applying persistence to the possibilities. Our future is all around us. If we seek, we will find it. If the door is closed, we must knock and keep knocking until it opens. We never give up..."

Anyone familiar with the company's origins can understand where such convictions come from. By all rights, Gainesville Health & Fitness should not exist today. In January 1978, when Cirulli assumed the debts of the Gainesville Executive Health Spa and changed its name, neither he nor anyone else had any reason to believe the club would survive. He was barely 24 years old, and the five fitness businesses he had previously worked for had all gone bankrupt, leaving their creditors—including their paid-up members—in the lurch. Bankers had been burned so often that the mere mention of the words *health club* filled them with fear and loathing. Real estate owners felt pretty much the same way. Cirulli thus had the worst of both worlds, since his club occupied 1,500 square feet above his landlord's business, which just happened to be

a bank. On top of that, he had no money, no friends or family with money, and no experience running his own business.

Yet Cirulli believed he could pull it off. If you ask him why, he might tell you about an experience he had had four years earlier, at the age of 20, when he was working as an instructor at his second health club in Gainesville and was given an opportunity to try his hand at sales. He signed up eight members on his first day. "Normally it takes months to do that," the vice president of the fitness company told him over dinner that evening. "You don't seem too excited."

"It wasn't that hard," Cirulli replied.

Or he might tell you about reading a book shortly thereafter and finding it a "life-changing experience." It was one of the classics of the self-help canon, *The Power of Positive Thinking*, by Norman Vincent Peale. The book persuaded him to set a goal: to become the top salesperson of the fitness company's 10 clubs. He achieved it in three months.

Then again, he might tell you about coming back to Gainesville from his hometown of Elmira, New York, after Christmas to discover that the fitness company had folded, his last paycheck had bounced, and he could make the payment due on his new maroon MGB only by getting back the \$95 deposit on his apartment, which left him homeless and broke. He spent the next few months sleeping in health clubs and his MGB. At one point, he went to buy a Diet Coke at McDonald's and discovered he had just 12 cents to his name. Finally, he landed a job at a new Gainesville health club—and read another book, *Think and Grow Rich*, by Napoleon Hill.

From Hill, Cirulli learned that the secret of success lies in knowing what you want. He proceeded to take out a legal pad and write down 10 goals, which he was supposed to read aloud every night before going to bed and every morning when he awoke. He did so

**Get Well Soon** Joe Cirulli wants Gainesville to remain the healthiest city in America. Below, meet some locals—some not even GHFC members—he has enlisted along the way.



**KRISTINA MUZZEY, 33**  
Firefighter-medic for Alachua County  
Longtime GHFC member; lost 15 pounds  
last holiday season



**MARC HENRI, 55**  
Executive chef, North Florida Regional Medical Center  
Won the Gainesville Amazing Race,  
a GHFC-sponsored fitness contest



**ALICE ANN FERGUSON, 41**  
Fourth-grade teacher, Alachua County Public Schools  
Lost 8 percent of her body weight (and won \$160) in a  
workplace weight-loss contest inspired by the Well City effort



**DELORES JAMES, 46**  
Professor, University of Florida's College  
of Health and Human Performance  
GHFC member since 1990; works out about five days a week



**WENDY RESNICK, 47**  
Accountant, Shands HealthCare  
Participates in a workplace fitness program  
three days a week



**JEFF BUNKIN, 45**  
Account executive, Naylor LLC  
GHFC member since 1993; his company invites the gym  
to lead a health fair each year

for the next few years. The goals were: 1. Own a health club in Gainesville; 2. Make it respected in the community; 3. Earn \$100,000 by the age of 25; 4. Own a Mercedes-Benz like the one driven by the Six Million Dollar Man; 5. Own a home in the mountains and one by the ocean and build another for his parents; 6. Become a black belt; 7. Become a pilot and own a plane; 8. Travel all over the United States; 9. Travel all over the world; and 10. Save \$1 million.

So he believed it was destiny, not calamity, that beckoned when the owner of the Executive Health Spa confessed that he was an alcoholic, in the middle of a divorce, and about to declare bankruptcy. The following day, the bank announced that the club would be evicted in 30 days. To achieve his first goal, Cirulli would have to raise

money, find a new place, persuade the landlord to lease it to him, get the necessary permits, build the space out, move the equipment, and somehow keep the club running—and the members happy—the entire time. How he did it reads like *The Perils of Pauline*.

First, he persuades the banker to give him 60 days rather than 30. It's not enough. He finds a location, but banks won't lend to a health club. He finally wangles a personal loan, only to learn that the location has fallen through. The banker who is the landlord of the old club demands he return the keys. Cirulli begs. The banker relents but demands a signed lease and a rent check by 9 a.m. Monday. Cirulli miraculously finds space in a brand-new mall. He has \$1,700 and three weeks to get the place ready—plumbing, electric-

or how much better you can become, as long as you keep reading, listening, and searching for wisdom.

By then, moreover, he was well on his way to building a company molded around those beliefs and filled with people who shared them.

IF OWNING A BUSINESS was, in fact, Cirulli's destiny, it had kept itself well hidden prior to his arrival in Gainesville. As a child, he seemed destined only for a rough time. Linda Cirulli-Burton remembers her younger brother getting beaten up by the older boys at school. That spurred Joe to start lifting weights—first in his cellar, then at the local YMCA. Soon, he was so strong that no one dared pick on him.

The Cirulli family lived on the hard-knocks side of Elmira. Joe was the third of seven children and the oldest boy. His father, Armand, was a 22-year Navy man who became a postman after his discharge. His mother, Frances, was a nurse. Making ends meet was a struggle. Cirulli remembers his parents bringing him a fancy chicken sandwich from Moretti's restaurant once when he was in the hospital after breaking his leg. "Enjoy it," his mother said, "because you'll never have one again."

In 1971, Cirulli graduated from high school and entered Corning Community College. After two years there, he still wasn't sure what he wanted to do with his life. He decided to take a year off from school and travel around the country with a friend. When the friend backed out, he changed his itinerary and went to Gainesville, where his girlfriend was attending a community college. "I arrived at 3 a.m. on October 27, 1973," he recalls. Later that morning, he worked out at a local health club. Before leaving, he asked the manager if he could work as an instructor without pay for the next month in exchange for use of the facilities. The manager agreed. Cirulli extended his stay for another 30 days and began earning \$1.90 an hour.

By the time Cirulli finally headed home for Christmas, Gainesville was in his blood. After the holiday, he intended to work with masons he knew in Elmira and save money for college, but the frozen ground gave him a good reason to revise his plans. He returned to Gainesville, thinking he would stay for three months and then go back to his job with the masons in the spring. He didn't make it. His success selling health club memberships obviated any need to earn money through masonry. Maybe that was when destiny took over. In any case, he had his own fitness center within four years.

CIRULLI IMMEDIATELY WENT to work expanding it. He began with 2,500 square feet in a wing of the mall that had 11,000 square feet of space altogether. The rest was occupied by retailers of one sort or another. One by one, they moved out, and Gainesville Health & Fitness moved in, eventually taking over the whole wing. At the same time, he was proving that a health club could actually be profitable if you behaved as if you really cared about your members, as opposed to treating them like a necessary inconvenience. He invited members of the failed clubs he had worked for to join Gainesville Health & Fitness and agreed to honor whatever terms were in their original contracts. Beyond that, he promised that he wouldn't raise fees as long as they remained members.

Still, Cirulli faced an uphill battle persuading the citizens of Gainesville to join, given the industry's reputation in town. So he turned his attention to the students of the University of Florida, which at the time did not have a fitness center. The majority of them, he realized, could not afford the initial payments that new members

ity, new walls, showers, lockers, the whole bit. The club is still under construction when he moves in the equipment in June, whereupon a building inspector threatens to shut Cirulli down if he sees anyone using it. The club opens anyway. The building inspector never returns. Gainesville Health & Fitness gets its certificate of occupancy six months later, and Joe Cirulli achieves goal No. 1.

The other nine goals took a little more time, but he achieved all of them within 12 years—before his 33rd birthday. He drew two lessons from the experience. First, you can accomplish just about anything if you put your mind to it, are willing to work hard, and refuse to give up no matter what adversity you encounter. Second, books can change your life. There is no limit to what you can learn

were traditionally required to make when they signed up. But Cirulli figured that most students were honest and would pay monthly even if there was no up-front fee. He set up a fee structure for students and began marketing to them. Within a few years, students made up 98 percent of GHFC's membership.

By then, Cirulli was beginning to develop a reputation in the industry. "Joe was already a legend in Florida when I started my business in 1982," says Geoffrey Dyer, founder of Lifestyle Family Fitness, a 57-club chain based in St. Petersburg, Florida. "I didn't sleep for two nights when I heard he might be coming to Lakeland, where I was located. I called him up, and he said, 'Don't worry. We're not coming. We're just talking.'"

Cirulli was indeed staying in Gainesville, but he had by no means stopped expanding. He opened a club for women in 1984. Two years later, after learning that a Wisconsin health club chain was coming to town and taking aim at his membership, he moved the original center to a new location and doubled its size. A couple of years later, after the University of Florida announced plans to build its own fitness center, he got into physical therapy and began marketing aggressively to the Gainesville public. In

1996, after the university built a second, even larger fitness center, he opened his giant flagship center. This time, he bought the building, because he realized he could control the market only if he owned, rather than leased, his facility.

As the business grew, so did Cirulli's renown. Articles about Gainesville Health & Fitness started appearing in industry publications, and people from other clubs began making the trek to Gainesville to see what Cirulli was up to. He welcomed them all. "He was willing to let anyone come down," recalls Frank Napolitano, formerly an executive with industry giant Town Sports International and now the CEO of GlobalFit, a provider of health club benefits to employees of large corporations. "He'd give you his training manual, share his best practices." Even if he wasn't there, visitors couldn't help being impressed by how cheery and helpful the staff was and by the cleanliness of the club.

What impressed people most, however, were Cirulli's results. "Year in, year out, he'd turn in these incredible sales numbers," says Napolitano. "And here you were, spending tens of millions of dollars on marketing and getting nowhere near those results."

Naturally, people wondered how Cirulli did it, and he was happy to tell them. As speaking invitations rolled in, he began traveling all over the country and around the world, often taking members of his staff with him. Wherever they went, they talked about the company's distinctive culture and way of operating, shaped largely by the ideas that Cirulli picked up on his never-ending quest for self-improvement.

WHEREVER YOU TURN at GHFC, you find examples of Cirulli's application of something he has heard about or read. Every month, for example, he meets for two days with what he calls his Get Better Team to think of ways to improve the business. On Monday mornings, there's a Focus and Energy meeting of managers from 8 a.m. until 10 a.m. New employees receive One Minute Praising or One Minute Reprimands, lifted straight out of *The One Minute Manager*, by Kenneth Blanchard and Spencer John-

son. Blanchard's characterization of employees as either ducks or eagles helped inspire a GHFC program called Eagles of the Moment, wherein club members nominate employees who have gone above and beyond the call of duty. It's all about self-improvement. "We're a factory for producing future leaders," says Shawn Stewart, the company's 32-year-old operations manager.

Production begins with the hiring process, which is the foundation for everything else GHFC does. The company, which now has 375 employees, typically gets about 1,000 applications a year for 70

**"He'd turn in these incredible sales numbers," says another health club exec. "And here you were, spending millions on marketing and getting nowhere near those results."**

to 100 jobs, almost all of which start at minimum wage. "We compete on work environment," says Stewart, who oversees the selection of more than 75 percent of the company's new employees.

There are five steps to getting hired at GHFC, beginning with a four-page application form consisting mainly of puzzles and games. "We eliminate most of the lazy people with that," Stewart says. Next, references are checked by phone, which further reduces the pool. The third step is a group interview, with at least eight candidates and a hiring team including supervisors and department heads, followed by a one-on-one with the department head. Stewart challenges his people to come up with creative ways to determine whether candidates really share the company's four core values: integrity, willingness to work hard, extraordinary commitment to helping people, and desire to create the future.

One technique, for example, is the chair test, wherein extra chairs are left in the interview room. Stewart used it once with a candidate who had come through the group interview with rave notices. The candidate was sitting in the room when Stewart entered. "They need some chairs next door," Stewart said and began picking up the extra ones and carrying them out of the room. He kept doing this until only two were left. The candidate didn't move, except to take his feet off a chair when Stewart asked him to. "Well," said Stewart, "thanks for coming, but this place is really not for you."

The guy was taken aback. "But you haven't interviewed me yet," he said.

"Yes, I just did," Stewart said and ushered him out of the room.

Finally, candidates are taken through a high-intensity workout on the MedX machines developed by the late Arthur Jones, the founder of Nautilus. The idea is to work a particular muscle or group of muscles to exhaustion. "We want to see how people react to adversity," says Stewart. "That's when the true self comes out. We tell them up front we're not looking to see what kind of shape they're in. We just want to know two things: Are they hard working, and can they listen and follow directions?" Despite all the screening to that point, 25 percent of the candidates fail the test.

The ones who pass become the raw material of the leadership factory. Most recruits seem only too happy to get with the program. That includes being "shadowed" by a veteran employee who serves as an on-the-job trainer and administers weekly quizzes in preparation for quarterly tests, on which they must score at least 90 percent. They are further expected to take advantage of the opportunities for continuing education offered by the company's large library of self-help books and tapes. And they have to follow the rules. Recruits receive points for things like tardiness, no tie or nametag, improper shoes, complaining, and cursing. Seven points in a quarter results in probation.

It's not for everybody, which is intentional. "The whole selection process is designed to weed out the wrong people," notes Will Phillips, a management consultant who runs roundtables, including one Cirulli belongs to, for fitness-industry CEOs. "Joe takes very seriously the idea that you should hire for attitude and train for skill. When you hire people and try to convert them to your way of doing things, you create a horrible tension that training is supposed to 'fix' employees. That may be more insidious than having a selective, somewhat authoritarian goal-driven business like Joe's."

OF ALL THE GOALS that Cirulli and his colleagues set for themselves, none seemed more daunting than making Gainesville the healthiest city in America, though the choice of that mission was hardly a surprise in itself. For years, Cirulli had been saying that the ultimate measure of a fitness business should be the health of the community in which it is located.

But it was one thing to have such a mission and quite another to measure your success in achieving it. Debbie Lee was the one who came up with the mechanism. She remembered a project she had overseen when she was a coordinator of undergraduate programs at the University of Florida. One student had interned at Johnson & Johnson in Jacksonville, where she worked on the company's application for certification as a Well Workplace by the Wellness Councils of America. It turned out that WELCOA also had a program for certifying cities, based on the percentage of the work force in Well Workplaces, which the group defines as companies, organizations, and institutions with comprehensive wellness programs. Cities with 20 percent of their work force in such a program won the bronze, 30 percent took silver, and 50 percent earned the gold. One could argue whether a WELCOA certification actually constitutes the best measure of a community's health. But the program did lay out a plan of action that could be used to rally the community, and other cities had already participated, making it possible to compare results. And because no city had ever done better than a bronze, why not go for the gold?

But GHFC could do only so much by itself. If Gainesville was going to become the first Gold Well City, the community's movers and shakers had to get behind the effort. With that in mind, Cirulli and Lee approached Marilyn Tubb, who was then vice president for community affairs at Shands HealthCare, a University of Florida affiliate and operator of several hospitals around the state, and had just become president of the Gainesville Chamber of Commerce. In short order, Tubb and Lee put together a steering committee of 16 people, including representatives of media outlets, health care programs, and local government. The committee immediately went to work building support for the campaign.

To win the award, at least 20 organizations had to participate in the effort and obtain their Well Workplace certifications within three years leading up to the submission of the Well City application.

That called for a lot of work in a relatively short period of time. The organizations had to select coordinators, organize health fairs, get people screened for health risks, hold meetings, launch exercise programs, and so on. Shands HealthCare donated the health screenings. *The Gainesville Sun* contributed advertising. GHFC provided consulting, speakers, meeting space, exercise programs, whatever. And government officials from across the political spectrum put aside their differences to get behind the campaign. When word finally came in the spring of 2003 that Gainesville had won the award, hundreds of residents turned out to celebrate.

The rest of the fitness industry took note of the achievement and GHFC's role in it. Many clubs contacted Debbie Lee to learn more. Only a relative handful, however, launched Well City campaigns of their own. "People admire Joe for the way he's integrated himself into the community, but I don't think many of them try to emulate him," Napolitano says. "They feel as though they have a lot more pressing issues to take care of."

And maybe they do, or maybe they have overlooked what Gainesville Health & Fitness got out of the campaign from a business standpoint. Beyond signing up a lot of new members, the company firmly established itself as the wellness resource of the community. "I know that if I need help with anything, I can call GHFC, and they will always either provide it themselves or point me in the right direction," says Tracy Tompkins, who served as campaign coordinator at Naylor LLC, a custom-publishing and event-management company. "We wanted to become better organized around wellness, but we lacked direction and know-how," says Tompkins. Naylor now uses the program in recruiting.

By positioning itself as the city's wellness resource, GHFC has gained an enormous competitive advantage that its salespeople have been able to make good use of in selling to the corporate market. That advantage is certain to grow as health care costs continue to rise and more companies discover that a serious wellness program is one of the only responses they can offer. By the time the rest of the fitness industry catches on, however, Joe Cirulli will no doubt be on to the next big thing.

Whatever that next thing turns out to be, it will happen in Gainesville. Cirulli insists he has no desire to have a fitness center anywhere else. He loves his city, and the feeling is mutual. Three times GHFC has been named Business of the Year by the Gainesville Chamber of Commerce. Cirulli has received the Distinguished Entrepreneur for Lifetime Achievement Award from the University of Florida's Warrington College of Business Administration, in addition to being named Industry Visionary of the Year by the International Health, Racquet, and Sportsclub Association in 2005.

Along the way, Cirulli has become a walking advertisement for the power of positive thinking. He still owns the little Mercedes, but he mostly drives a Lexus these days. His parents live in a house he built for them in Gainesville. Cirulli has his own home there, as well as a beachfront place on Anna Marie Island. Once a week, he flies his A36 Bonanza, often to Sarasota, where he has a condo. Although he never made another list of goals for himself, he did get together in 1999 with his managers to draft one for GHFC. "We will be recognized worldwide as a model company for improving the health of an entire community," the document began. It then listed 10 goals for the next 10 years. The fourth was, "We will be on the cover of a leading business magazine."

Guess they can check that one off. **1**

*Bo Burlingham is an Inc. editor-at-large.*