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## Exercise Shrugged (With Apologies to Ayn Rand)

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Topics: Technology | Sports | Marketing

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Companies: Cybex International, Inc.

OWATONNA, Minn. -



Try this next time you're at the gym. Start up that treadmill-like device, an ArcTrainer, I think it's called, and while you're running at about your maximum speed, try interviewing the guy standing next to you.

By the way, he's the CEO of the company that makes the machine you're exercising on, so it's important that in between all that wheezing, you actually hear what he has to say.

"Some machine isn't it?" asks John Aglialoro, the CEO of **Cybex**

"These things are the best in the business."

Frankly, I don't remember what my answer was, but I do know the interview was shorter than usual.

Aglialoro and I have met at NASDAQ traded Cybex's new 15 million dollar, 275,000 square foot, manufacturing facility in Owatonna, Minnesota. Yeah, I know, I had to look it up too. It's an hour or so outside Minneapolis. So what we have here are multiple story lines.

First, there's the whole exercise machine business. Who knew it was still a money maker? "You can make money if you have a good product, and if you know what the hell you're doing " Aglialoro says as we walk through the plant.

I managed to convince him that doing part of the interview actually walking instead of running would make for better questions. Aglialoro took over Cybex seven years ago. He had built the Trotter treadmill company into a top brand, and then UM Holdings, a venture capital firm in which he's a shareholder, bought Cybex. Who better to run it than Aglialoro? Nobody. From a

debt-ridden, soon to go belly-up operation, Aglialoro has turned Cybex into a money maker -- revenue in 2006 at \$126 million and listed by Business Week this past summer as one of the "Hot Growth Companies."

"Look at this, come over here, look at this. This piece goes in this end, and by the time it comes out over there, it's ready to be assembled. It doesn't get touched by human hands once it goes in there." Aglialoro is more than a little enthusiastic about his new facility, and proud of what he's managed to accomplish right here in Minnesota. Story line number two. "We can control costs. We can control quality. We can get parts and services to our customers quickly. It makes economic sense to be here in the U.S. And we plan to keep it that way."

He says all that while also pointing out that Cybex exercise equipment is sold to large-volume end users -- health clubs and rehabilitation centers, places like that. The margins are a lot less in the home-use market, although he does plan a line for that sector soon. And he says what they concentrate on is performance, results -- not looks. "A lot of machines look like Armani, but don't perform. Inside our machines, we're German."

Not much on looks, but boy do they go.

Now for story line number three. Does the name Ayn Rand mean anything to you? She wrote "Atlas Shrugged." For a small but growing number of people, this book that argues in favor of individual freedom and self-reliance is a template for how to live their lives. Aglialoro is a trustee of The Atlas Society, an organization devoted to Rand's ideals.

"So tell me about the movie." I say. He looks surprised, pauses, and says, "Now? Here?"

"Sure," I say, "Why not?"

You see, Aglialoro owns the film rights to the book and has been trying to get it made for a while now. "Well," he says, after pausing a bit. "I really think we're going to get it made. I feel good about it."

As he should. John Aglialoro seems to be the kind of guy who gets what he wants, by working hard and being self-reliant. Next time we see each other, he can run on the treadmill, and I'll do the interview standing still.

'Mike On America' video segments can be seen on "Power Lunch" -- that's 12 to 2 Eastern Time,

Monday, Wednesday and Friday. We'll be on the road this week in Montana.

See you along the road.

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