

CEO's Corner

Mission Statement: To Help Our Visitors Reach Their Health, Fitness And Appearance Goals Through Information, Motivation, And Supplementation.

Does Every Customer Matter?

Sometimes it's hard to remember that there are 3000 different people behind the 3000 orders that are placed on our site each day. It can be easy to just think of each order as a piece of invoice paper or a few bytes of data in our database.

With that many customers, what does it matter if we upset just a few of them each day? Who cares if we mess up a few orders, treat a customer rudely on the phone, or give them an error message while using our site? We have so many customers; does it really matter if we lose a few of them each day? Won't we just get more anyways to replace them?

Think about it for a minute. If we upset or give mediocre service to only five customers per day, that is over 1800 per year. If those customers would have continued to order from us five times per year at \$90 per order, they would have generated over \$810,000 in revenue each year. Woah! We lose that much potential growth simply from not giving "wow" service to five customers per day. You can imagine what that number is if we upset 10 customers, or 20, or even 50 per day!

It gets worse. As you know, when people have a bad experience with a company, they are very likely to tell others about it. If each of these five customers tell eight of their friends (the average number that research has found), then we would have potentially lost up to 14,400 future customers. Of course, not all of their friends would have ordered, but by not taking care of these five customers per day, we have made sure that they never will. And what if some of those 14,400 people tell some of their friends? What if – gasp! – some of these customers post their bad experience on the Internet for thousands or even millions of people to see?

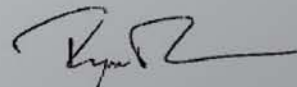
FUN FACT: Just one month's worth of Bodybuilding.com customers could fill almost three Boise state football stadiums! With nearly 200,000 visitors to our site each day, we could fill the stadium over six times. Picture that in your mind for a second. That's a lot of people from around the world that you are helping!

But there is a positive side to all of this. If we do give amazing service to a customer, they are very likely to order again (and again and again) and also tell all of their friends and family members. They are less likely to "shop around" with their next purchase. Surveys that we have done have shown that the majority of our customers hear about us by word of mouth, the most powerful form of advertising in existence... and also the hardest for a company to control.

As you can see, getting EVERY order out on time each day, having the right inventory in stock and on the shelves, creating positive and memorable experiences on the phone, creating the most usable and informative site, and much more is more important than we may even realize. It's hard to see the impact of what we do each day since we do not see our customers face-to-face like store retailers.

I believe that our dedication to each and every customer is the number one reason we have grown so fast and have become the number one sports nutrition e-tailer in the world. With your help and with focus on every single individual customer, we can take our service to whole new levels and grow bigger than we can even imagine!

Ryan DeLuca
CEO, Bodybuilding.com




Company Notes

Annual Company Parties

Idaho – Sunday, August 19th
BBQ Lunch at Storey Park starting at 1:00
The Party will then head over to Roaring Springs Water Park.

Florida – To Be Determined

Happy Birthday!

Russ Deluca	August 2nd	Vice President
Noel Hollenbeck	August 2nd	CS Floor Supervisor
Olson Merant	August 9th	FL Warehouse
Jim Britain	August 10th	Web Content
Terry Mayer	August 13th	AP Manager
Matt Halcomb	August 13th	CS Asst. Manager
Samantha Dessert	August 17th	Customer Service
Josh Robertson	August 19th	ID Maintenance
Jeff Newman	August 20th	CS Night Manager
Patricia Johnson	August 21st	Accounting Assistant
Gary Davis	August 27th	CFO & VP
Lindsay Cate	August 28th	Customer Service

August's MVP Terry Mayer - AP Manager



Terry Mayer has managed the Accounts Payable for Bodybuilding.com since August 2005. Terry maintains over 300 accounts ranging from product inventory and utilities to shipping and computer supplies. Weekly check runs of over 200 checks typically pay 600 invoices totaling \$1.2 million.

Terry also ensures that Bodybuilding.com is current with ever changing vendor payment terms, product prices, discounts, credit limits and payment inquiries. Recently, Terry has shown perseverance with moving our Top 10 vendors to 30 day terms in order to improve Company cash flow.

Terry's work ethic and sense of humor make him a pleasure to work with - he is a valuable member of the Bodybuilding.com Finance team and an asset to the Company.

Our Company MVP's are awarded with an engraved trophy, \$50 gift certificate to an area restaurant, and a nice polo shirt donated by FedEx.

Nominated Department MVP's
FL Warehouse – Katie Clemons
Customer Service – Lindsay Cate
Web Content – Craig Roberts
ID Warehouse – Jolie Rosenfield

Department MVP's are awarded with a \$5 lunch gift certificate for an area restaurant.

Department Spotlight: IT

Mission:

It's our responsibility to engineer diverse resources in order to solve business problems

Number of Employees: 2

CIO:
Kelly Householder



Department Manager:
Andy Kazmaier



Network Technician:
Charles Mohica



Department Facts/Stats: IT has been working very hard over the last 6 months to stabilize our computing environment. We now leverage some of the latest cutting edge technology to help Bodybuilding.com scale better and faster than ever before while keeping costs at an all time low. Andy and his team have continued to move the bar up for customer service, feedback and flexibility. The team continues to support mission critical applications and improve automation and uptime of all systems used by the company.

Recent Accomplishments: Build-out of our Virtual server environment, remote desktop design for Florida warehouse, multi-user login enablement for customer service desktops, monitoring and backups streamlined for production servers.

Future Goals: Continue to automation and bring efficiencies into the organization for all IT functions. Standardize on all platforms, move and setup new locations for a fast and productive environment that will continue to meet the demands of our growing business.

Heartfelt Thank You

A Florida employee will be undergoing major heart surgery on August 8th. Many of you have donated to the cost of her surgery. Please keep her in your thoughts this month. Below is a personal thank you note from our fellow team member.

"Though our paths may have never physically crossed, and we may have not exchanged words, I was touched by the outpouring of kindness from people I work with daily and those I've never even met. I take heart in knowing that I have been blessed by your actions and I take with me the wonderment that lies in your hearts and thoughts. I am in awe and overwhelmed. From my heart I express my appreciation and gratitude."

BODYBUILDING.COM



Bodybuilding.com sightings

UFC's Stephan Bonnar sporting our logo while competing and winning at the UFC- 73 Pay-Per-View. Watch for our logo in Bonnar's future fights too!

On a recent Company trip to Las Vegas, a team member spotted a bodybuilder at the Bellagio Hotel pool wearing a Bodybuilding.com visor.

Kind Words from our customers

I would like to thank you for your expedient nature concerning the processing and shipping of my order. I really would like to say thanks to all of you there at Bodybuilding.com. I received my shipment of supplements quicker than at any other time while I have been deployed abroad. That kind of customer service is greatly appreciated. Most companies that you deal with now days don't care if the customer gave the right address or actually received their order on time just as long as they get their money. Once again thank you and I look forward to dealing with Bodybuilding.com in the future.

SGT. Charles E. McWhorter
United States Marines.

Employment Anniversaries

Thank you for your continued hard work and loyalty to Bodybuilding.com!!!

Joe Guilliams	FDA/FTA Compliance Advisor	4 Years of Service
Terry Mayer	AP Manager	2 Years of Service
Noel Hollenbeck	CS Floor Supervisor	2 Years of Service
Rachel Parsons	CS Rep	2 Years of Service
Jonathan Pompey	FL Warehouse	2 Years of Service
Jim Britian	Web Content	1 Year of Service
Brandi Eller	CS Rep	1 Year of Service
Thong Phanthavady	ID Warehouse	1 Year of Service
Brian Blue	FL Warehouse	1 Year of Service

Changing Faces

A warm welcome to our Newest Employees!!

John Graham	ID Asst Warehouse Manager
Davin Serina	ID Shipping Dept
Rich Wu	ID Shipping Dept
Thomas "Colby" Bradley	ID Shipping Dept
Daniel Hart	ID Shipping Dept
Andre Martin	ID Shipping Dept
Scott Fleenor	ID Receiving Dept
David Culbertson	ID Receiving Dept
Samantha Dessert	Customer Service Rep
Keith Johnson	Customer Service Rep
Chris Ullery	Customer Service Rep



Around mid August we will welcome Tammo Vastenburg from The Netherlands.

Tammo will intern in our marketing and web departments for about 7 months. He has previously spent time in Idaho, attending senior year of high school in Midvale and Payette. He has just completed his second year of college at the Hanze Hogeschool in The Netherlands. He is excited about the opportunity to intern in the US and especially at Bodybuilding.com. We look forward to meeting him soon. Please help him feel welcome in our community.

Department Changes / Promotions

Debbie Olive Promoted to ID Warehouse Office Manager

\$\$ Bonus Watch \$\$

We are already one month into our 3rd Quarter Bonus Period. That means you have 61 days left in the Quarter to make an impact on your next bonus. Remember, everything you do that makes the Company more profitable will directly be reflected on your future Bonus! What can you do today??!