

25K Part 2

Jim Labadie: Okay PTU'ers, we're back. Jim Labadie with Pat Rigsby and Nick Berry, the Ultimate Personal Training Business. And we are covering sales and marketing today. So, who wants to get started guys? Pat, Nick – who wants to cover sales and the Ultimate Personal Training Business?

Nick Berry: Well, I think that if we're going to go over sales and marketing then there's probably only one logical choice between the two of us, and I know who I would go to anyway.

Pat Rigsby: And that would be Nick!

Nick Berry: Yeah, and I would defer to Pat.

Pat Rigsby: Alright. Sales and marketing in a health club setting is a little bit different with this business model than what a lot of trainers are probably used to. I mean, for example, like Jim often talks about an approach to sales that he used very successfully for selling in-home training that also translates extraordinarily well to selling training in a studio setting. What we've found to work very well in a health club setting is a little more of a volume approach. Instead of doing as much pre-qualifying as you might do for studios or for in-home training, one of the easiest things that we've seen to really generate numbers fast is to have the health club tie in and build a relationship with the health club so that you're serving them. Most clubs offer a like a complementary orientation to the facility or an equipment introduction session or something like that, so what we've done, and we've varied this at times between offering one session and offering two sessions. But, we offer the complementary personal training session. And we've used that as kind of a sales appointment/relationship building opportunity. But for the club, it adds value to the membership, it kind of takes that responsibility off their hands so they can focus on generating more sales and whatnot. So, it's kind of a win-win. But, the way this has traditionally worked has been the health club, as soon as a new member is enrolled, would funnel that new member directly to the personal training department – either by scheduling the appointment themselves or directing them to the appropriate person to schedule the appointment for the introductory personal training session with our staff. Now, the way that this works, and instead of me kind of going more about the philosophy about this, I just basically what we'll do is we'll go through each individual step and explain it. The first thing we do, you know, we schedule the appointment – well we give the new club member or prospect if you will a basically a handout kind of detailing what to expect during the upcoming session with the appointment details – the time, date. We also let them know that if they no-show, there will be a significant penalty – a fee to reschedule this – to just – when you're dealing with volume like this, there's always the greater possibility of no-shows and people not seeing a perceived value. So, obviously, not unlike sales copy or whatever else, we show them what the perceived value is, hopefully the club sales staff has done a good job building the value in it. One of the things that always works well is if they say we've purchased a personal training session on your behalf. Instead of just saying you get a “free” session.

So, if the client or respective client gets this paper, we do a follow up call to remind them of their appointment the day before, and then they come in. A member of our staff – ideally you're going

to have a lead sales person, but if it's in a small club setting it might be one person kind of doing everything, but the flow of the event would kind of be as follows: you greet the prospect, the same way that you would greet anybody in kind of a consultative or assessment or introductory sales session type meeting – you make eye contact, you have a good handshake, you call them by name instead of well, hey I have “an appointment” at 10:30, I have “an appointment” at 11. Then what we've done is we use a PAR-Q to kind of qualify the prospect, to dig, as Jim would like to say – finding their pain. And so the first side of the PAR-Q – it's a 2-sided questionnaire – just deals with basic health history, any medications they're taking – the typical things that you'd see on most release forms. The back allows us to dig in and one side of the sheet has things that might allow us to understand a little bit more about their habits. You know, it's going to ask if they eat 3 or more meals a day, if they take a multi-vitamin or a supplement, what are their hobbies, where do they work – all of this information that we want to know. I mean, it asks I believe if they get 5 or more serving fruits or vegetables a day or something like that – just a lot of valuable information for you to have. The other side or you know the right hand column of the second side of the PAR-Q is going to ask more essay questions instead of just a yes or no type answer. It's going to be more of an open-ended – what brought you in today, what kind of exercise programs have you been involved in the past, how have they worked, just a lot of open-ended questions, so when we start the digging process or the questioning process if you will, we can really uncover a lot more information. So, we start in, we cover the health history, we address anything that might need to be addressed there or if they do have some sort of limitation, we can redirect them to the appropriate medical person – tell them they need to go back and get a release from a doctor or whatever else. But if not, we can dig in. We start to really get to know more about them – why they came in. Typically in a health club setting it's going to be primarily weight loss and aesthetic driven. We can ask them those questions about how much weight do they want to lose, how has being 30 pounds overweight affected them, or 30 pounds heavier than they'd like to be affected them. How's their life going to be different if they lose the weight that they want to lose? If they don't make this decision, what are the repercussions going to be? And a lot of that is stuff where you can dig in, get them emotional, and you get below the surface basically. And then, after we've done that questioning, so we really get to know why they're there, we begin to start to build the solution. So, it's kind of a whole problem, agitate, solve philosophy. We begin to build the solution. We start to tell them how we're going to solve their problem or alleviate their pain through our programming. Then we take them ...

Jim Labadie: Now Pat, real quick, when you do that – when you tell them how you're going to alleviate their pain, how long does that take and what do you tell them?

Pat Rigsby: You know, the way this is going to break down, and I've really kind of just rambled on about it I guess is, you know, we do – it's going to take them 5-10 minutes to fill out the questionnaire. If you're not going back to back to back, which is kind of a problem sometimes in a health club setting because there's just so much business opportunity – if you're not back to back to back, you can always just sit down and ask the questions yourself. Or, if they fill out the PAR-Q, you can either tell them to get there early or either way, it's going to take them 5-10 minutes. The questioning process – and that digging – is going to take another 10-15 minutes. The solution or kind of building the solution is probably going to take another 5-8 minutes. Where we just kind of go over what we're going to do and how that's going to affect them. Say they want to lose weight, well we have to explain to them why our solution is going to be more

effective for them than just plotting away on a treadmill or joining the free club aerobics class or whatever. So, now at that point if we've blocked off an hour, we've probably gotten to about the 30-35 minute mark. Then we take them on the workout floor and we give them some examples. I mean, we're definitely not taking somebody through a full scale workout. I mean, we've not really done an assessment per say. What we're doing more or less is taking them out there and kind of building value in the things that we've said. So, we may show them an exercise like demonstrate it, have them with a really really nominal amount of resistance go through the motion of the exercise while we're giving them a lot of corrective feedback. Because, people not only want motivation and accountability, they basically want your guidance. They want that feedback, and we see a direct correlation if we're not doing a lot of correction, a lot of feedback with each movement that we may demonstrate on the workout floor, our closing percentage drops tremendously. If you just stand back and say ok, well demonstrate this and they do 2 or 3, we've lost that connection – that value we've built in the first part of the sales process. So, we demonstrate a couple of things, we come back to the table or the desk, wherever we're going to be presenting programs, we – all the while we make sure that we're letting them know – we're foreshadowing what's to come. You know, when they sit down, we say, this is how the session's going to lay out. And then when we're coming off the workout floor well, ok, I'm going to make some notes on what we did today, if you have any questions, you can ask me then, and then I'm going to show you how our programs work so you can see which one's the best fit for you. Because the worst thing in the world is getting back to the table, writing out some notes on what you did, and then the prospect saying well, you present programs and they're like I didn't know there was anything to buy. You're essentially giving them an opportunity for an objection – an easy out. So, you kind of walk through things. We overcome any objection that they – the whole idea is to overcome any objection that they might have before we actually get to presenting programs. So, we've dug a lot of information, we've tried to build a lot of value on the floor, then after we make some notes, address any quick concerns that they have – but ideally we've already addressed them before we even sit back down. Then we show them the programs – we present things in typically a alternate choice close fashion. So, maybe we say something along the lines of “ok, we have 3 different programs available for you, we have our 3 time a week program and it has these benefits. We have our 2 time a week or 2 session a week program and it has these. We have our 1 session a week program and it has these benefits. Now based on what we've talked about, I'm going to recommend either program A or program B, which one do you want to get started with?” And in a lot of instances because you've already built a lot of value, you've overcome objections before you ever sit back down, you're going to get a significant percentage of closes there without anymore discussion. And, because we're in a health club setting, there have been plenty of times during my sales career in personal training that I might have 10 sales opportunities like that in a day during a peak season. So, if you're closing 50 or 60%, you can only imagine the volume of revenue you're generating.

Jim Labadie: Yeah. So, it's different from other things, but obviously the system definitely works. There's no doubt about that. You guys test things and make sure you do everything to the letter. So, ...

Pat Rigsby: Well, the difference is, if somebody – if you're interacting with somebody, they know that they're – they at least have an interest in personal training. I mean, you don't contact the personal training studio or in-home personal training unless you've considered personal

training. Well, in a health club setting in Kentucky for example, I would venture to say that 90-95% of the people that walk through the door and have bought a membership not only haven't ever worked with a trainer, but they've never even considered the possibility of using a trainer. So, the concept of really pre-qualifying these people – if we would literally for example, at any given time in our training business in Elizabethtown, we might have 400 clients. Well, if we would have just pre-qualified people based on a lot of the things that people do to pre-qualify for studios or whatnot, we would have been hard pressed to ever get more than 50 at a time just – we had to basically educate these people on personal training. It's a lot like, I have a feeling chiropractors kind of went through the same thing for a long time, because people just didn't know what they were. So, for us, it's educating them on the need, because they've just never – it's never even crossed their radar until they sat down and met with us. Selling training in a health club setting like this is just kind of a different animal.

Nick Berry: There are a couple of other things too that you can do that we've focused on, and this is purely operational, but I think we need to at least touch on it. In order to keep our – I guess give myself every opportunity to close a sale, we tracked our conversion rates all the way through our funnel. For example, the club would get a new member, from there we would try to get them in our schedule book, from there we've got to make sure that they show, from there we've got to take them through this session and try to close them. And what we could do by monitoring these conversion rates from steps 1, 2, 3, and 4, we could tell where we might have a weak point in our system. Why that's important is you can go back and you can make changes, and you can't – when you're dealing with delivering a service and dealing with the public, I don't think that it's really possible to ever expect to have a perfect system in place. But you have to put some procedures and protocol into place in order to increase the likelihood of a higher conversion. You know, that's something that we learned very early on. We could set down and look at our conversion rates and say ok, right her is our weak point, what do we need to do to increase this conversion? And that's where some of the things that Pat was just talking about came from. You know, be it a scheduling protocol or it could be something as simple as having the staff members say well, we've purchased a personal training session for you. Anything like that that helps to increase the likelihood that the person schedules and then shows up. And from there, it's our responsibility to do everything in our power to increase the likelihood of a purchase. And you can be as detailed or I prefer more detail than less, but you can be more detailed than what I just used as an example from new member sales to being put in the schedule book, to a show rate, to a purchase or new client rate. But if nothing else, that's a good place to start. And you can quickly identify where you may be losing out on opportunities to sit down with a potential customer.

Jim Labadie: Okay. That makes perfect sense.

Nick Berry: I know that was kind of a tangent, but I feel that it's something we need to talk about a little more.

Jim Labadie: No, you're absolutely right. It's one of those things where you guys do a good job of making things as easy as possible. I can pass, as you guys know, a million questions usually, but I think you guys do things so straightforward that I don't really need to.

Pat Rigsby: And the beauty of this is this stuff reveals itself really quickly. Jim, when you were selling personal training, how many sales opportunities do you think you might go through in any given month?

Jim Labadie: I don't know. Because it was in-home training, you know. A few dozen.

Pat Rigsby: So, it's...

Jim Labadie: Certainly not as many as you go through in a club.

Pat Rigsby: Right, I mean, there were months where I might do 300 plus. So, the neat thing about this is that the thing that Nick was alluding to - you get a sample size that's substantial pretty quickly if you need to change something. So, you kind of get your feet held to the fire. I mean, in this type of environment, you can run a profitable training business closing 25% of the people you sit down with. I mean, most health clubs only about 3% of their members use a trainer. But you can run a really good business closing 25% of the people you sit down with. Probably even less than that, as long as your package value is where it needs to be.

Nick Berry: Plus you're converting - you're getting plenty of people in front of you. You just can't afford to convert 10% of the new members into people who are in the schedule and 10% of them into clients, because at that point, it's - you've already lost out on such a majority of your pool.

Pat Rigsby: But, you know, even in a smaller club like a lot of the small Anytime Fitnesses, and I mention them just because they're one of the few health club chains that they're not independent, but they don't really have a personal training protocol, so the opportunity for an independent trainer to come in there and set up arrangements is probably easier than it would be in most places. Even if they're only doing 50 or 60 members a month, they are clubs out there in what we would certainly consider secondary markets where they may be generating 5 figures a month from a couple trainers by using an approach similar to this. So, it's definitely viable. It's just - you have to be willing to sit down with more people. You have to think - I mean it sounds funny but more in terms of quantity verses quality. But, as far as sales, some of the things that - some of this stuff really crosses over. We used a lot of your questioning process to improve the front end of our introductory sessions. We did a little of the velvet rope mindset by really ramping up the rescheduling fees and that sort of thing. So, you know what, you better see the value in this now because otherwise you're going to pay for it if you don't. Ultimately, you want to become - the added benefit that we haven't really touched on, because it falls more into marketing, is by meeting with every person in that gym, even if people don't buy immediately, you've become more the face of the gym - I mean, you've spent an hour with them - you're more the face of the gym than the salesperson that signed them up is. So, you're going to be the person they come to whenever they have a question about - well, hey I can't lose my belly fat, what do I do? And so, you're going to get more secondary sales opportunities by using this approach.

Jim Labadie: So then how - I always, I get a lot of questions from trainers who bought - who've purchased my sales kit and said I'm in a club, how do I go about turning these consultations into sales- getting people asking me questions and turning them into sales. Or how do I get more

clients working in a club? And one of the things I always tell them, and I'm just curious if you guys did this too, was part of the Velvet Rope approach and the positioning was that I tell them, for one thing, you should always look like you're busy. You should never be just standing around and talking or chatting to other people in the gym, you should always be like the guy or the girl – the woman who is the trainer. You're always doing something. You're always looking busy. You're always looking like a professional. You're not just standing around like most personal trainers are acting like you have nothing better to do than just standing at the front desk talking to the front desk person. Make sure that you're always writing articles. Make sure that you're always asking the members of the place something like I want to – I was coming up to people and instead of saying hey, can I show you a better way of doing this exercise, go up to someone and say hey, I've been thinking about writing 3 different articles, which article would you like me to write most. And if it was a woman, something like how to get a better butt, or how to get 6-pack abs, or how to fit into your skinny jeans. Basically, probably it would be the same article, but it's 3 different titles, and from whatever the results were from asking several women, you can write that article and go up to them later when you have the article done, and just give it to them. Say, here's that article I was telling you about. So basically just promoting yourselves as experts. Promoting yourself as somebody who knows what they're doing and always staying on top of things by giving them that information and – obviously it's your business and you don't want all of your trainers doing this, but is that something that you guys did?

Pat Rigsby: I think that's outstanding. A couple of the other things that we've done periodically to – instead of the typical work the floor, where you're essentially just bugging the shit out of the gym members, we would have trainers occasionally kind of walk the floor, make eye contact, and say hi to members. If somebody made eye contact with them and said hi, we'd simply say – hey, how's your workout going? If they said fine, great. Anything positive is the response, say hey, wonderful, you ever need anything let me know. If not, if they said well, not so good or anything negative say we would typically give them one type of tip. And it would always tie back – we'd say – you know like say somebody was not getting, not being able to lose body fat, not getting results, whatever, we would give them one tip – hey this is something that has worked just wonders with several of my clients. So, do this. And then we would immediately say, now if you'd like to, I can kind of expound on this and give you more insight – I have a couple opportunities available later in the week – would you be interested? And so, there's a little scarcity there and then you essentially give them 2 opportunities – I mean you could be you could have the most open schedule of any trainer in the club, but it's always going to be well I have Thursday at 9:30 or Friday at 10:30. There are just a couple of windows – choose one. It can't be hey, I've got all day Wednesday, Thursday, and Friday, well if you're this good of a trainer and you're going to help me, then why don't you have any clients? So, we do that – that always worked very well. And then we do a lot of in-club seminars. In-club presentations tied to a particular topic. Something along the lines of how to avoid that dreaded holiday weight gain. We might do a seminar tied to new years resolutions – results to reality, something like that where you have somewhere to funnel all of those current gym members to. We didn't do much of the just going up and bugging people on the floor. If somebody kind of, just after that eye contact, the polite greeting you would hope anybody would give in a club, and they kind of raised their hand and said hey, I need a little help- I'm kind of lost out here, then we would follow up. But the beauty of that is too, because you've done intros with virtually everybody in

the facility at one point or another, these people know you and trust you as a recourse. I've worked with companies that were absolutely the hardest closing – you either left having bought something or having hated the salesperson. And then I've – our philosophy was always we're going to push a little bit because we feel like we know what's best, these people don't really know what's going to get rid of it, and they've been probably a little misled by the club salespeople. But, if it's not their time, that's fine. We'll come back – we always funnel people into an auto responder system, so we're going to stay in touch with them. We're going to make sure that they're aware of our upcoming seminars and events, and then we'd always make a special offer out of those.

Jim Labadie: The veritable special offer. You can't really go wrong with a good special offer. People love them.

Pat Rigsby: And we'd do themed things periodically. Or you never know – we had a lot of success with weight management programming and that sort of thing. If somebody wasn't necessarily a good fit for training, we may – hey, I know what I'm doing with exercise, and a lot of times they'd say it even if it wasn't true. We might funnel them into a weight management program. So, from a sales standpoint, that's pretty simplistic.

Jim Labadie: Now, did you have special offers on different things, you know, just month by month, like say for instance maybe there's a discount or a special offer on a weight management program in June and discount on certain supplements in July, and discounts on back to school personal training in August, I mean, would you have like a promotional calendar?

Pat Rigsby: Yeah, there's always something – there was always something we were doing. But, it's kind of funny, rarely was that something as far as like our basic personal training services. Rarely was it tied to that. Now, we may do something during the winter like during December where we would allow people to start training in December and have no payments until January just because they'd signed the contract but we would set up their EFT billing for January, just because Christmas. But, typically training stayed pretty much the same, because all of those new club members – they had nothing to gauge it against. So, I mean, they didn't really know what the training was worth or had no pre-conceived idea of costs or anything like that. Now for – something we did very regularly with our existing clients is there was always a themed offer every month. Because every client would receive a like a monthly assessment, which very simple – probably better defined as kind of a progress update where we would do body fat, measurements, that sort of thing. And then we would have a standard upsell each month. And that would be more of a supplement, weight management program, personal training program upgrade where we'd have a scripted out offer for each person that our trainers would have to present during that session. And so, it gave us a very structured opportunity to ask instead of just being very haphazard about it. Now for weight management programs, we didn't have to do much in the way of discounting, but we would change kind of the theme or what the added value was depending on the season. You know, we might change the theme – your last excuse just got on the bus for the fall, or going into the summer getting “bikini ready” or whatever. A much higher percentage of our weight management clients were women – especially when we switched from one-on-one to group weight management – it probably went from 75% women up

to about 95% women once we made that transition. So, we targeted all of our marketing specifically to women at that point.

Jim Labadie: Gotcha, ok, which makes the most sense, because I'm guessing the vast majority of your personal training clients were women.

Pat Rigsby: Uhm.

Jim Labadie: The majority, or...

Pat Rigsby: Nick, what would you estimate that as, 75%?

Nick Berry: That's, yeah probably. It might have been a little higher than that to be honest with you. But not a lot higher. Not more than 75%.

Pat Rigsby: And the beauty of this whole model, and you know we touched on it in the first audio, but when we talk about marketing, our marketing costs were in this facility in Elizabethtown for example were nominal compared to most personal trainers' marketing costs, because most everything was internal. You know, we moved people into an auto-responder and sent out broadcasts and newsletters. We used voice broadcasts for promotions that would run, I mean, we occasionally ran – we've done things like a re-sign promotion using a voice broadcast and an email. And then an in-club face to face promo where we did over 30,000 dollars in sales in one day using that. And the total cost of the marketing side of it was probably under \$400. So, that's a tremendous return, but when you – that's the beauty of this – when you use a system like this where you're in-club, you're prospects are already in the door, so you don't really have to do much in the way of direct mail. All of our direct mail costs were run through Send Out Cards - doing follow up thank you for becoming a client, weight management program graduates. We didn't do as much referral request type promotion as we would like at our health club, where because for somebody to become a client in this setting they had to be a gym member. So, we waited until somebody had already joined the gym. Ironically enough, for the weight management program, they weren't required to be a member, so we used more of an external marketing approach and did referral promotions and some external presentations in the local community, driving people to the weight management program more than the actual training.

Jim Labadie: Ok, so we covered sales, have we covered everything? I mean, we have a general outline here – scheduling, handling objections, post-sale, everything, do we still need to cover all of that?

Pat Rigsby: Yeah, the only thing as far as the actual sales process and not the follow up – we didn't really get into handling objections, and that was pretty much by kind of by design, I guess, or – we just don't really deal with a lot objections. If you have a lot of objections, by the time you get back and present prices, then odds are you didn't do enough work in the questioning process or in building value. Because a lot of people in sales will tell you, hey if you – objections are just a way of easing the prospects mind or whatever else, well ideally we've done that before it's every been a confrontational environment. We do not want to have that. We want to become kind of the assistant buyer by the time we present programs. Where we're just helping the

prospect choose the appropriate program for them. Now if somebody did happen to have an objection, it's always kind of tied to money – even if they say it's spouse, or time, or whatever, it's tied to money. So, we would have a kind of a drop as we would call it, where a client or prospective client could, if the once a week program was not cost effective for them, they could do a twice a month program where they would basically get a program design for them, be taught the program in one session, and then just kind of a follow-up check up in their other monthly session. And that program wasn't going to be roughly 60% as expensive – 60-65% as expensive as the once a week program. So our margins are actually better on that program. But, it would just be presented like this – as soon as somebody had an objection with cost, we'd say well, okay I'll tell you what, I think I have a great solution for you – what we'll do is we'll start you out with this twice a month program where you're still getting the same benefits of having a program personally designed for you, you're still getting that same guidance, you're getting everything mapped out for you, all you really have to do is execute the plan. And so you're going to meet with your trainer twice a month and the added bonus is it's an investment – it's only an investment of \$100 a month verses \$175 or whatever. So, let's go ahead and start you with that and then if you decide you want to upgrade later on, that'll be fine. And many times we were able to overcome the money objection with that, and if not, then frankly either that person is probably not a really good fit for what they're – what we're doing or we've done a bad job in the preliminary part of the sales consultation. Now, there have been times where we would do a 2-part introductory session, where we would offer a follow-up session where we would discuss nutrition more in-depth. And that would be where we were selling our weight management program, but for those people who said well, I need to think about it, that at least gave us a very defined time to come back and meet and basically get them off the docket. Either a yes or a no. but, as far as we're concerned, if somebody left that first appointment and they had not committed, then they're a no, regardless of what they say. You know you can't base your business on “be backs”. Now, to follow-up, the paperwork stuff, Nick – do you want to touch on that a little bit, since you're the...

Nick Berry: A lot of it is directly related to how you do your billing. First off, with your agreement, you need to in some way shape or form have a waiver of liability. Also, you need to make it very clear exactly what is being purchased. What the terms and arrangement are, be it payment method, payment amount, payment intervals, also clearly define the service – if it's this package of – for us it would be 12-month package, one session a month, one session a week. Make sure that it's very clearly defined exactly what they're getting in exchange for the payments. You also need to have any policies, cancellation policy, refund policy, you know, the kind of things that people need to understand ahead of time otherwise you're going to come to a position down the road where you're going to be explaining something to someone and you're both going to realize very clearly that it should have been defined ahead of time. So, in order to avoid that altogether, we've put all of that in our agreement. A lot of times the Attorney General, and they each have different policies but, they will – you'll either have to have your agreement approved or submitted to them, or there are certain things that your agreement will be required by the state to contain. That needs to go through an attorney before you start signing agreements with someone. You know, if you want it to be worth the paper that it's printed on, basically. And then you need to satisfy any information that your billing company, if you're using a third party billing company, that they would need. And that may be just as simple as the personal information and the billing information. Beyond that, they typically they'll want a copy of the

agreement- a signed copy. Really what you're going to have to do is if you decide that you're going to have agreements created, you need to have an attorney make sure that it satisfies the state, and you can deal with your third party billing company and make sure that it satisfies everything that they need, and beyond that – that should be able to cover all of your bases. You're going to make sure that the payment and package terms are defined to the customer, so they're happy. The attorney's made sure that the state's happy, and the billing company has told you what information they're going to need so they're happy. And if hopefully those people are happy, then you're going to be happy. It sounds like it might be kind of complex – it's really not. Go to an attorney, go to the billing company – make sure you've got everything addressed with them, and the rest you should be able to handle very easily. So, that's pretty much it with the agreement completion.

Jim Labadie: Okay. Pat, anything to add on that?

Pat Rigsby: No, I mean, Nick's the go-to guy with that side of our business. I think he's covered it all.

Jim Labadie: Okay. Alright guys, so we've covered sales, I guess the last thing I want to ask you – do you do anything like I do where you kind of give people one last chance to back out or anything like that, or do you just – they go over the paperwork and you tell them what to expect the first workout and they go on their merry way?

Pat Rigsby: Well, we've always scheduled – essentially they – we get kind of an introductory meeting with your trainer. Whereas, see all of our training sessions were 30-minutes, but the first meeting with the trainer after they enroll would be an hour. And that's where they would kind of sign a trainer-client partnership where ok, these are the expectations – you can expect this from your trainer, but your trainer expects this from you. And that's always pretty much signed or scheduled within the first 3 days of their membership or package program, whatever you will. You know, because in the state of Kentucky there – they have that 3 day window that they can void the agreement. So, we'll schedule it in there, so if there is any buyer's remorse, then that's their opportunity. And, you know, in dealing with gosh well over 1,000 clients Nick, what was our total people that probably exercised that 3-day window? Probably less than 10?

Nick Berry: Probably not half of that actually. I mean, there might have been a handful that used the cooling off period and then another handful who at some point came back and said something similar, but it was outside of that window. It just wasn't something that we – we just didn't have to deal with it very often. But you are required to offer that cooling off period.

Jim Labadie: Ok.

Pat Rigsby: I mean for us, a lot of it came from selling people what they could really afford instead of over-selling training. You know, the people that get high cancellations in that 3-day window sell training in a format anything like this are always the ones that are trying to sell people that have no business spending 4-500 dollars a month on personal training – it's just not in their budget. They're selling them that. Instead, you know for us, we're very content selling that person \$175 a month package knowing that if we deliver on what we promise, then we're

going to keep that person for life and we're going to keep that person upgrading into our ancillary offering.

Jim Labadie: Ok, alright. So, we're going to touch on client retention real quick first, and then we're going to go into marketing. We've covered a lot of stuff in sales, so we want to cover client retention and client service and then move on to marketing?

Pat Rigsby: Well, the marketing – we've already touched on that a little bit. I mean, it's kind of interesting. The marketing is really negated. But I'll tell you what we can do if you want, we can – for our third call, we can kind of move the client retention to that, because it probably ties in better with the other material we'll cover, and we can just touch on what we haven't covered in marketing. Because, there's just not much. I mean we've already talked about working the floor and the way we approach it, in kind of a non-aggressive way. You know, a lot of it has to do with building relationships with the club itself and making sure you're getting that high percentage of new members, because that's where the bulk of your business is going to come from. The people who are actually active in the club, but they've been there for 18 months, a lot of those people you know they're pretty well set in their ways and their comfortable with what they're doing. The people who weren't comfortable, they just quit coming. So, ideally when you're building a relationship with the club, you want to get access to their inactives so you can do either a telemarketing campaign and hire your assistant to do that, or you can do a postcard or an email blast with the inactives. You know, but then after that, it becomes very simplistic. You're dealing with scheduling all of the new members. You're dealing with kind of the floor campaign. And some signage throughout the club – I mean, simple stuff as far as dry erase boards, a lot – we have a “wall of fame” that we've used very successfully, where we just had before and afters from our clients – it looks a lot like the testimonials that you'll see on sales copy for fat loss products. So, as far as for new client lead generation, I mean, I don't want to make it sound super simple, but there's not a lot more to it if you're doing those things and doing them really well, you don't need to be doing 15 different things besides that. And then internal marketing –that's where the hidden gems are. You get back in and you make – you have those structured upsell offers like we talked about before with your clients. You're sending the minimum by-weekly or by-monthly newsletter, upselling, you have to be using some sort of supplement program, unless the club has their own, and then you need to find a way to tie in and at least get a kick-back off of that. But if they don't,...

Jim Labadie: You need to be selling Prograde.

Pat Rigsby: Yes! Exactly. I mean, it's perfect for this type of environment. We did very well with it. And you need to have some sort of nutritional offering – a weight management program, a short-term nutritional coaching course, something like that, because all of your clients – I mean, it's amazing the percentage of those who signed up for at least a short-term, like a 4 session nutrition coaching program. If you do that, man you should be all set. I can't imagine you missing out on a whole lot of money then. So, I mean, like I said, I don't want to make it seem like the marketing stuff is – I know Jim and I are huge into marketing, but it becomes very easy for you in-club. You get to really streamline things, and you get to narrow your marketing approach to like 5 things that are always running that you know occasionally you're tweaking the copy or the theme, but it makes it very easy, because those people are kind of a captive audience.

Jim Labadie: Yeah, very much so. Very very much so. So, alright guys, so where does that leave us now? What do we need to talk about next? Are we taking a break?

Pat Rigsby: The next call we can just discuss client service retention and kind of putting it together. Making sure that you're hiring trainers, because if you use this approach, you're going to fill up pretty quickly and you're going to have to delegate some clients. So, delivering what you're selling either by you or employees. I'd say that should cover it, unless there's something else Nick wants to address in the next audio.

Nick Berry: No, I mean, that works for me.

Jim Labadie: Alright. So, everybody who's listening, reading, it's like I said before- everything Pat and Nick provide is extremely straight forward. I think as Pat has kind of said, we both love marketing, but the stuff that's – it's really pretty easy once you just get your head wrapped around it and you just start doing it on a regular basis. Everybody that we've ever worked with and we've ever met at Perform Better events or Ryan Lee bootcamps or whatever else, I mean, everybody tells the same thing. Just sort of doing the stuff you say. And we've learned this from other people, and it just works. So, use all the advice they have about their sales system and in-club marketing should be pretty easy. You have a promotional calendar, promote your trainers as experts, and make sure that they're writing, speaking on a regular basis. You have email marketing in place, and everything else just kind of – I mean the money just comes. So, guys, last words? Is that pretty much everything? We'll just cover delivering the service on the next call that that's it, right?

Pat Rigsby: Yes sir.

Nick Berry: Perfect.

Jim Labadie: Alright guys. Alright everybody. This is the Ultimate Personal Training Business System, and we'll see you on the next call.