

[269 – How to Generate \\$44,460 Per Week with Virtual Personal Training](#)

Lawrence: Lawrence Neal here and welcome back to highintensitybusiness.com. This is episode 269. Today's topic is all about virtual training, how do you grow virtual training, and how do you generate revenue in general during the shutdown. I say during the shutdown, but, this is obviously applicable at any point in your high intensity training business career and should give you some great ideas.

Today's guest is [Luke Carlson](#). Luke is the founder and CEO of [Discover Strength](#), a fast growing personal training business based in Minneapolis and four other personal training facilities in Minnesota. [Discover Strength](#) offers a variety of virtual strength training session, at least for now, facilitated by educated and expert trainers.

Luke, welcome back to the podcast.

Luke: Lawrence, it is always a pleasure to join you, so thank you.

Lawrence: You are welcome. Thank you for taking the time. Obviously, we were talking offline about how things are going for you. I'm so happy to hear that such positive results you are having with virtual training and how it has resonated a ton of revenue you've been able to generate. I'd just thought we would start off by talking about that to get people a little bit excited and understand what's possible. Can you elaborate on the type of results you've had since this transition?

[269 – How to Generate \\$44,460 Per Week with Virtual Personal Training](#)

Luke: Yeah. Good question. I think the results are in context to what the expectations were, right. Like, five weeks ago when we were forced to shut down, or 5½ weeks ago, this is the start of kind of the shutdown, not just in the U.S. but kind of everywhere. We thought, well, okay how do we bridge the gap and how do we survive with no revenue. We were much like restaurants that essentially had to close, right. How will we reopen? Well, what we will do is you lay everybody off and the building will sit there, and you'll ask your landlord that, "Can we not pay rent?" Then, when we are allowed to open we will start rebuilding. We thought that way for a full 24 hours, you know, almost 48 hours. And then we said, "Well, no. We have to become a virtual training company." We have to not do virtual training to bridge the gap but we have to become a virtual training company because we didn't know when this was going to end. If it was going to end in two weeks, we'd say, let's offer some virtual if someone wants to do it. But we didn't know when it was going to end. We still don't when it's going to end. By 'end' I mean we don't know when we are going to reopen our studios but we don't know what the return to studios is going to look like.

So we made a big goal of, we wanted to sprint to 900 workouts in a week was the big goal. We said that pretty much right away. A normal week for us across 5 locations, we do about 1,600 workouts. A rough week was

[269 – How to Generate \\$44,460 Per Week with Virtual Personal Training](#)

mid 1,500; but about 1,600 was normal. I said, well, if we can get to 900... We did all the math. We knew that 900 was going to break even.

Lawrence: Okay, right. I was going to ask you how did you arrive at that. Sorry, go on.

Luke: Yeah. I think everyone has got to come up with a daily number or a weekly number of this is the revenue we need to hit. We have to have everybody in the company focused on hitting it. This allows us to pay for our rent. This allows us to pay for all of our fixed cost, all of our overhead. We can still clearly pay our staff. That's a number we have to sprint too. So that was the first focus. And then we had our quarterly leadership team meeting. It's the end of the quarter when all of this hits and we went to plan our next quarter. We decided to plan our next quarter, instead of planning a quarter at a time, we said we're just going to plan 30 days at a time.

Most of your listeners are familiar with, or many of them, are familiar with the idea of rocks which is like a 90-day goal. Well, normally we would set a 90-day goal, a rock, for each leadership team member, and every employee, etcetera. Well, we said, forget 90-day rocks. We did 30-day rocks because things were changing so fast we didn't know what the environment would be like. So we all have a goal for April. As we record this right now, today is we are getting toward the end of April, April 24th.

[269 – How to Generate \\$44,460 Per Week with Virtual Personal Training](#)

Excuse me, 23rd today in the U.S. Our goal is to do 1,223 sessions by the end of April, so we have this week and we have next week. We always look at it in a one-week period, and that week for us in Sunday. So can we hit 1,223 this week or next week? Right now we have 1,117 scheduled for this week. And as the week goes on that usually grows, so this week may end up 1,150. Maybe 1,140, but it will be over 1,100. The way we've kind of been growing, it's very realistic for us to add a hundred new sessions in a week. I think the goal of 1,223 for next week is very realistic. That 1,223 is 70% of what our previous session volume was. That's where the 1,223 came from is we said, we want to get to 70% of where we previously were.

Now, let's layer that in with, okay, so that's less sessions than what you are doing before. How was that a good thing? Well, it is very much still generating revenue. But the other thing is if you are simultaneously fighting for some rent concessions in your different properties then that's a huge percentage of your fixed overhead, and so your fixed cost. You actually have the opportunity to be potentially more profitable. So we have in multiple of our spaces we've been given rent forgiveness for a couple of months. We have a couple locations that rent forgiveness while we are closed, and then when we reopen, we have negotiated like a percentage rent. We will pay a percent of our revenue for the rent for the next few months. So that's where we're at, we are at 1,117 sessions this week. Last week we did \$41,000 in revenue. Our big revenue goal for the week

[269 – How to Generate \\$44,460 Per Week with Virtual Personal Training](#)

was to get to \$37,000. I think \$41,000 in revenue is about a little over \$2 million. It's like, maybe, \$2.1 million or so. Right now, we have \$2 million virtual training business right now. I'll stop talking there, Lawrence, and you can kind of take the questions where you want to. Otherwise, I'll just go on forever.

Lawrence: No, it's a great way to start. Yeah, I was going to say, \$39 per session is still the current price that you're charging for that?

Luke: Yes. Yeah, great point. So that's \$39 a session. We used to do 1-on-1 workouts and small group workouts. Well, all we're doing right now is 1-on-1 workouts because we just don't think we can give a good experience small group virtual. Our 1-on-1 people are actually saving money off the session and our group people are paying a few more dollars, because a group normally was about \$35 and a 1-on-1 normally was more upper \$50s or low \$60s depending on what trainer you work with. So they are saving money a 1-on-1 person is. A group person is spending a little bit more money. But, man, they are appreciating it because they get 1-on-1 coaching and supervision which they are just not used to. Yeah, \$39 is the price point.

Lawrence: Yeah, I think that's really smart. It's just so awesome to hear this. You are trying to obviously increase the conversion of in-studio clients to virtual. Obviously, this is something that some of our colleagues struggled with,

[269 – How to Generate \\$44,460 Per Week with Virtual Personal Training](#)

and you are closing on 70%, you said. What initiatives have you done and are you doing to try and convert as many people as possible?

Luke: Great question. I think the starting point is you have to believe that virtual training is effective and you have to tell your clients that this is what you need to do. So the brands that have maybe made a mistake... That's just my opinion. I don't have the final answer on that. But my opinion is if you ask your clients do they want to try virtual training. They are going to tell you, "No. I don't." I've had many depressed studio operators reached out to me and said, "Hey, we've asked our clients. We surveyed them, they want to try virtual, and it's been a really poor response. They don't want to try it." And I thought, are you kidding me? Like if you ask your clients if they want to use [MedX machines](#) before they came to your studio. Literally, none of them would say they want to use MedX machines. How many of them before they found you said they want to train to the slow speed of movement and go to muscle failure. None of them said that.

Let's go back, you know, either the Steve Jobs or the Henry Ford. Steve Jobs said, we don't ask our customers what they want. We show them something amazing and tell them this is what you want and we demonstrate that value. Henry Ford said...

Lawrence: How did you ask that question? Yeah, sorry, I cut you off.

[269 – How to Generate \\$44,460 Per Week with Virtual Personal Training](#)

Luke: Let me just throw the Henry Ford out there.

Lawrence: Go for it.

Luke: I know everyone has heard it but it is so applicable to this. If I ask customers what they wanted, they would have said, faster horses, right. You always have to listen to your customer but you don't have to verbatim respond with a product or service that they are requesting. Because, like I said, they are not asking for MedX Machines, they weren't asking for slow training. So what we just did is we said, "We are doing virtual training. You're going to love it and let me help you schedule." We didn't go into it with any apprehension.

Without picking at anybody I think surveying is probably not the right idea. I've even seen people promote their virtual training where they announced, "We are offering virtual training. We are going to switch your sessions to virtual training. Don't worry if you don't like it. We'll give you your money back." I'm like, why are you leading with if you don't like it, you know. I just can't imagine any brand selling anything where the first or the second thing out of their mouth is, "Hey, don't worry, when you don't love the car that we just sold you, you can return it." It's like why would we lead with that? And so I think it gets down to don't launch virtual training if you don't believe that virtual training is the right thing to do.

[269 – How to Generate \\$44,460 Per Week with Virtual Personal Training](#)

Like [Discover Strength](#), we just never believe that a one specific movement speed on one brand of equipment was the key. You know, I was taught a long, long time ago by [Dan Riley](#), the legendary strength coach of the Washington Redskins, and the Houston Texans, and before all that, Penn State. You know, the one strength coach that Arthur Jones really befriended. He said, “It’s not the tool, it’s how you use the tool that’s important.” And so that’s what I’ve always believed and I’ve always believed iron sharpens iron. I think the most important element in strength training is not the tool, it’s not the movement speed, it is supervision. And that is absolutely supported by the research. The proponents of scientific research say, it’s even more important than your intensity of effort is does someone watch you work out. You have to ask yourself, as the operator, do you believe in that. And there are signs in your business of whether or not you believe in it. Do your trainers train each other? Do you work out on your own or do you always get trained by someone? You are selling supervision. You are selling coaching. Man, if you are not into supervision and coaching as a brand you are going to... If what you were always selling was a [MedX machine](#)... I keep saying MedX, but whatever piece of equipment you have, if that is what you are selling before it is going to be a tough switch for you. Which by the way you can still make that switch but you just going to have to adopt this mindset that what you are selling is supervision, and coaching, and instruction. I know so many of your listeners, that’s how they think, that is what they are selling. Man, that’s going to be an awesome transition for them. But that’s what we believe. I

[269 – How to Generate \\$44,460 Per Week with Virtual Personal Training](#)

mean, iron sharpens iron is everything. It is life. It is why personal training and strength training matters. You need to be pushed by another human. But it applies to business coaching, it applies to interacting with a direct rapport. You need another human to push you and make you better. We need that in our friendships and in our relationships, like, a human makes another human better, that's what we are selling. By the way, in the midst of a [pandemic](#) where we've been socially distanced and isolated, people need that and crave that more than ever. Like we are in the absolute prime market conditions to grow supervised training or coached training.

Let me make the other... If I didn't say this, I would just be remiss. It's so important that no one is talking about it is we offer virtual training. 'We' meaning the high intensity training practitioner that has flipped virtual training on its head. So virtual training to the rest of the world means what? Okay, every health club that's closed down is offering virtual training which means an attractive man or attractive female is like dancing, and doing step ups, and lifting a barbell, doing a million reps and all these different moves while you watch them, right? It is a streaming service that you are watching and you are following that workout at home. What is our virtual training do? And by 'our' I mean everyone that has launched virtual training in our little niche of the industry. Instead of them watching us, we are watching them, like, that's what the customer needs. They need us to watch them. And so we are launching a massive marketing campaign that basically says that. It's like, why would you

[269 – How to Generate \\$44,460 Per Week with Virtual Personal Training](#)

watch the instructors? Shouldn't be the instructor watch you? So that's the beauty of what all of us do is we are actually watching the client.

Lawrence: Luke, you are on form this morning. You are just on one. That was so profound. That was brilliant. That was like a motivational speech embedded in there. You know, you and I have spoken offline before about, and probably online actually, on training modalities. If I remember rightly, you do believe though that one can probably, and maybe not you and I and some of our friends who likes to train really, really hard unsupervised or even supervised. But for obviously a lot of your clients and maybe a lot of our colleague's clients may not be able to achieve the same levels of muscular strength and hypertrophy, and maybe other outcomes through bodyweight and as the machine is maybe a tool that makes it easier to get there. Is that fair for me to say that, I'm putting words in your mouth a little bit, but would you still agree with that kind of idea?

Luke: Yeah, I totally agree with that. But I think there's degrees of value that different tools provide. I mean, we're living this right now, right. If we train a client and they have literally nothing. We'll still train them but we say bring a beach towel to your workout. We have just bodyweights and a beach towel. So we can do timed static contraction, we can do push-ups, we can do negative only push-ups. We can do a lot of different exercises purely with just your bodyweight. But then all of our trainers laugh about

[269 – How to Generate \\$44,460 Per Week with Virtual Personal Training](#)

this all the time. If we find out that a client has a set of adjustable dumbbells and a bench we feel like we've just walked into a room with 40 [MedX machines](#). That's what it feels like. We are like, "Oh my goodness! We can do anything. We have all these tools." And then if we find out, okay, hold on the ultimate home gym is now you have adjustable dumbbells, you have a bench, and you have a chin up bar. It's like, okay, alright, I'm going to make this person, literally, I'm going to turn this person into Casey Viator over the next four weeks, because you just feel like you have everything that you need.

I laugh because like 6 weeks ago you're never going to convince me that was a complete home gym. I used to make fun of [James Steele](#) when he would show his backyard Instagram videos of him doing a chin up on like a man-made wooden bar, like a dip station. And I'm like, "Hey, you don't live on a desert island, like, why are you training like that?" And he pointed out to me, suddenly I have become very in vogue right now, like, the way he trains. I never wanted to take that minimalist approach. I love having tons of equipment. I love visiting our colleagues that have just tons of equipment. Like [Jim Flanagan](#)'s house is one of my favorite places in the world. I envy [Mike Petrella](#) and all his equipment. I think there is degrees if if you have this tool it becomes more effective. I wouldn't feel comfortable preparing someone to maximize their muscle hypertrophy, I mean truly optimize, if they had only bodyweights and a towel in my opinion. But you give me dumbbells, adjustable dumbbells or just a set of

[269 – How to Generate \\$44,460 Per Week with Virtual Personal Training](#)

dumbbells, and a chin up bar and I think we got a really good shot of maximizing hypertrophy and strength. And then you can layer it on with a couple of other tools like bands. We think the ultimate is if you have a couple of bands, the right bands, chin up bar, dumbbells. If you don't have adjustable dumbbells, what we've love is do you have like a, if you have set of 10 lbs. dumbbells, and about 25 lbs. or 35lbs. dumbbells, like, you could do almost everything with that. We can do some great shoulder work. We can do some good pushing movements. We may have to find ways to pre-exhaust you going into some of those pushing movements but we can get the job done. Then, you know, I just love chin ups as an upper back stimulus and a biceps stimulus. If you have those tools there is so much you can do. And then I think there is another degree of value get when you really get on great tools. But I think there is diminishing returns at each one of those steps.

I'll tell you from my own workouts I've gone back and forth between our virtual workouts and our in-facility. We are recording this on a Thursday, I did a workout Tuesday morning virtually with one of our trainers, 30-minutes and we did 11 exercises. I mean, I'm so sore right now. I can barely sit down on a chair. My butt is so sore. It was just an incredible workout. My next workout will be in one of our studios. I mean, our studios are closed, but I have access to our studios and so I'll train in one of our studios and have one of my trainers train with me in the studio.

[269 – How to Generate \\$44,460 Per Week with Virtual Personal Training](#)

Lawrence: Yeah, I was going to ask you, all the trainers practicing what they preach, they being virtually trained by each other.

Luke: It's mandatory at first that you had to go through a certain number of virtual training workouts with another trainer, and then we left it up to them after that. I would say most of our staff it is really mixed. Some of them have done virtually all virtual, some have decided to come into studio every now and then. We've left that up to them. But they had to go through a number of virtual to start off so they understood exactly what the client was experiencing.

Lawrence: Awesome. Now, you said to me something I thought was really key. In fact, you said on the [live Q&A](#) as well with regard to how your three uniques and all your differentiating capability has to obviously make sense with regards to virtual training. And you looked at your three uniques and realized that, hang on, this is a perfect switch. But I've spoken with some of our colleagues who may have a unique that kind of contradicts that service option. Can we talk about that for a second, like, let's say you said one there about if someone had one of their uniques was medical grade equipment or MedX, or Nautilus equipment, or fill in the blank. What would you do? Would you just stop communicating through that unique and communicate through your other two if they are still relevant? Would you revamp the three uniques? What would you do from a strategy perspective?

[269 – How to Generate \\$44,460 Per Week with Virtual Personal Training](#)

Luke: I think you just answered the question there. That's exactly what I do. I have three uniques, one of them is medical grade exercise equipment for example, and I would just stop communicating around that particular unique. I'd play up the other two uniques and tell stories about the other uniques. You asked a while ago before I went on a rant about how do you market, how do you communicate, and how you grow your virtual volume. Well, you got to use the right marketing. I think one of the things you got to do is you got to do video of what the virtual workouts look like, and then all of your testimonials have to speak to your uniques. So if you say your unique is, let's say, it's evidenced based. That's one of our uniques. Then you would ask that client a question to kind of a seed question when they give a testimonial. Don't just say give us a testimonial. Ask them some seed questions where they are going to speak to those uniques so that all of your testimonials that come out, whether they are video testimonials or written testimonials, will just speak to your uniques which is what you want. And then all of the communications around your uniques are just in this virtual environment. So I'd just make sure I'd separate those ideas.

I really think one of the best ways to grow virtual training is you have to put it on your social media platforms in video form. Because the number one resistance you have to virtual training is no one knows what it looks like. Like, what will I actually be doing, where will the computer, or the

[269 – How to Generate \\$44,460 Per Week with Virtual Personal Training](#)

tablet, or the phone actually? You need great images that show this, videos that show this. You can quickly do this on your phone. We launched it right away. You've had a number of your listeners in our kind of high intensity training community have done this really well. I mean, like, really well. I'm just thinking a number of brands where I've seen what they've done and they just have done a great job. Last Friday we are in the studio that we use, and we really want to do a high production quality shoot, so we shot Hannah and myself and the owner of the studio. We did all these different shots where it looks like she was training at home and I was training her in her computer. There were shots of me, and shots of her. It showed what the trainer is actually doing. It showed what the client is actually doing. We'll get that edited and we'll launch that soon. But we have to build visually tell the story because our clients just don't know, right. They know what it was like to go into our studio and use our equipment but they didn't know what the at-home thing would look like, and they just need to be visually shown. And virtual training works really well visually, so that's one way to promote it.

Another way to promote it is offer a free introductory workout. We have clients that are still having their autopays go through, like, 6 sessions a month, and they are like, "Keep taking the money. I'll just use them in facility when I come back but I'm not interested in virtual." We are just telling them, no, no, you are interested in virtual. You'll love it. Let me give

[269 – How to Generate \\$44,460 Per Week with Virtual Personal Training](#)

you a free introductory workout. Just let me take you through a free workout. They do that one workout and they love it.

Every day of the week I get an email or 10 emails from clients saying, “Hey, Luke, just want to reach out to you. Got to be honest I was really skeptical on the virtual training.” And then I go check, okay. Meaning, everyone said the exact same thing. But I just tried it and let me tell you I love it. Check, that’s number two. Everyone says that. And number three is, I really hope you continue these virtuals after studios reopen because I travel a lot I’d love to use it non-stop and I’d be more consistent. Check! And they sent me that email and they are like, “I’m the only person who sent that email.” Literally, it is like a form email. Everyone covers all three things in that same order. I was skeptical. Boom! Check! Two, the workout blew my mind. Check! Number three, please continue this. Check! Like, over and over and over. I share that with our staff, I’m like, remember every one of our clients is skeptical. No one knows what it is. No one wants to do it at first. We’ve use that language also when someone say, “I’m not interested.” We say, “Hey, you know what, that’s what everyone said. No one was interested.” And then we use a little bit of social pressure or social currency and we say, “You do know that you are like one of our only clients that are not doing this?” Because they think like no one is doing virtual. They think, “Oh, you talk to 4 people into doing virtual.” No, you are actually one of our only client that’s not doing virtual training right now. I mean, that’s a data driven statement right there. We

[269 – How to Generate \\$44,460 Per Week with Virtual Personal Training](#)

don't say it in a derogatory way. We say, "Hey, you know, we've done a thousand workouts this week and people are loving it." Then they are like, "Oh, okay, I'm the only person not doing this. I should be doing this."

Lawrence: Just to check back a second. The revenue you generated, you talked about at the start of this, through virtual training, I'm guessing that's not including a revenue generated from clients on autopay who just decided not to cancel which fell on top of that which is amazing. With that said though, have you had experience much in a way of churn in terms of in studio clients?

Luke: Let me just clarify that question. You are 100% right that \$41,000 in revenue is just the virtual training workout. We have other revenue coming in for all of the autopays. But Jessica, our VP of Finance, would never let us put that in the scorecard because we do like accrual accounting. Like we have the money but we haven't delivered the session yet so we really don't want to say that we have the money. It's important from a cash position that we have the money but we got to deliver that service eventually so we don't recognize that revenue. Once she listens to this, she'll probably suggest that I said something wrong there, not accurate, but I think I got that right. So we are only counting the sessions that are actually delivered or actually performed for the revenue.

[269 – How to Generate \\$44,460 Per Week with Virtual Personal Training](#)

And then, do we have client that just quit? Is that what you said? That just quit their autopay and don't do anything?

Lawrence: I guess churn or attrition. Yeah.

Luke: Absolutely. Yeah, we have. We have three goals for the year and one of our goals for the year was to improve our client retention. You know, from x to y by the end of the year. We wanted to improve it by, it's literally just 2%. And we're like, okay, we are going to have to throw that number out, throw that goal way, because I don't know if we are ever going to hit it because we lost so many people when we shutdown.

Now, where is our mindset is going to switch to is how do we get those people reengage when we do open. Like, that's going to be a rock in itself or a couple rocks in itself. It's like we lost hundreds, and hundreds, and hundreds, and hundreds of clients when we were forced to close. And I don't blame those people. They are like, "Well, I'm not going to keep paying. I don't want to try the virtual." Maybe they lost their jobs also. And so when we get out of this, when things start to transition to kind of a new normal, what is going to happen then? How do we go about just getting those people back in the studio?

By the way, Lawrence, I think now is a really good time. If you are okay with it for me to just kind of throw up the three phases that I think all owners should be thinking in right now. If that's okay?

[269 – How to Generate \\$44,460 Per Week with Virtual Personal Training](#)

Lawrence: Absolutely. Yes.

Luke: This applies to HIT businesses just massively. But I was just in my peer CEO group with people running companies of every different industry. And I said, “Guys, tell me this is not the three phases that we are all going to face.” Like, let’s make this simple. There are three phases. The phase that we’re in, Phase #1, is the reopen phase, right. This is when governments start to ease the restrictions, and we still maybe social distanced, and we’re still taking proactive preventative disease mitigation measures but things are starting to reopen. Okay, so that’s Phase 1. That’s going to last like a matter of a few weeks. How we return to business. So that’s going to be like, what’s our cleanliness protocol? How are we social distancing in a studio? How many people do we allow in the studio at once? How we are communicating around these things? That’s Phase 1.

Phase 2 is everything from there up until there is a vaccine. Alright. So that’s probably up to an 18-month phase. Don’t think people are going to go back to your studios like they did in the past. Don’t think the consumers are going to behave the way they did in the past and this applies to all industries. Phase 2 is life pre-vaccine after we are back to normal. So how does the consumer is going to operate here? Here is how this is for me, Lawrence, like, 4-5 months from now, my life is largely

[269 – How to Generate \\$44,460 Per Week with Virtual Personal Training](#)

going back to normal in so many ways. But what's not going to be normal. I don't think I'm going to be able to go to an NFL football game because I don't think they are going to bring 65,000 people together and have them all in one stadium until there is a vaccine. I want to run the New York city marathon in November. I don't think they are going to have a New York city marathon in November because how do you have 50,000 people at a start line or running a course socially distanced. I just don't think it's going to happen. In Phase 2, the pre-vaccine phase, like large collections of thousands and thousands of people maybe one of the many things that we just don't do. Okay. It may change how we travel and so forth.

And then Phase 3, is the new normal post vaccine, which will not be the same normal that we had before. What is this virus doing? It's probably increasing or speeding up digitalization. The same movement we are already undergoing but it just has been accelerated, right. How many people now know how to do a Zoom call that have never used Zoom before? Like everyone's grandmother is on a Zoom call with the grandkids, and six weeks ago it wasn't something they have ever considered. Phase 3 will be what do this life look like? My goodness, for the studio operator, life looks really, really good. I think in Phase 2 and in Phase 3, people are going to be very, very apprehensive about going back to health clubs. I don't want to go back to a health club and be in a treadmill next to 40 of my best buddies running on the treadmill. Do I want to go to a group exercise class where everyone is breathing and sweating,

[269 – How to Generate \\$44,460 Per Week with Virtual Personal Training](#)

and literally there's 50 people together? How about maybe our biggest studio competitor, and only know they wouldn't call us competitors, Orange Theory Fitness. Do people want to pack into an Orange Theory Fitness, 50 people at a time, and be right next to each other exercising. That's a massive Phase 2 concern and Phase 3 concern where our business model is so well positioned. If you are a studio owner right now and you have any bit of depression and frustration over this, you got to scrap that. Because, my goodness, it's like the stars have aligned to position us perfectly to kick butt in Phase 2 and Phase 3. Not that Phase 2 and Phase 3 aren't going to have challenges, but those are challenges that I think our business model is really well suited for.

Lawrence: Did you have any pushback from your peer group on those phases?

Luke: I said, guys, challenge me on this. And this is after we went through two hours of PowerPoint on the epidemiology and the pathophysiology of the disease. I thought, guys, why does any of that matter? Like how does us knowing the disease impact our businesses whatsoever. It doesn't. It's just fun intellectual discussion, alright, but it's not productive at all. We are all going to deal with these three phases. And then they did once around and said, yup, for businesses like yours... and they named their businesses, we do think the three phases are going to be like this. And then I stop, and I said, "Guys, think from the mind of the consumer. These are the phases that every consumer is going through." I don't care if you

[269 – How to Generate \\$44,460 Per Week with Virtual Personal Training](#)

are a B2B or B2C, everyone is a consumer, like, these are the three phases. You know, from then and out we just call them the three phases and I think everyone was onboard with this is what it is.

Now, Phase 2 may involve a return to Phase 1, right? If we are like 6 months from now or next winter, if we have a massive proliferation of cases, we may have to go back to more kind of Phase 1, more restrictions, more social distancing, etcetera. But those are the three phases as far as I can see. I think the businesses that are going to be successful is they treat each phase distinctly different and they define the reality of that phase. A simple example is Phase 3, new normal after vaccine is not going to be the same as life right now. If you think Phase 3 is just 2019, it is not. It is different. Consumers are going to behave differently and they are going to think differently. It's no different than airlines, right. After September 11 was over, we didn't eventually 6 months later say, okay now you can go to the gate and meet your loved one and give him a hug. No, you can't. If you don't have a ticket, you didn't go through security, you can't get to the gate and that's the way it's going to be to the end of eternity. I don't pretend to know what the Phase 3 life is going to look like, but we are thinking about it because we want to deal with that reality.

Lawrence: Yeah, awesome. Great advice, great strategy, great mindset. We've got about 15 more minutes. You are good for 15 right, Luke?

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Luke: Absolutely.

Lawrence: Great. I should have checked you at the start. I just want to get into some of the tactical. I'll probably, well, hopefully get through some of the rest in the [REC Focus webinar](#) today later. I was just looking at your business, listening to conversations we've had in the past trying to find some things I could ask you about the tactical. I've noticed you've gone really hard on the website. The website is even more, it's pushing... It's more focused is the word I'm looking for. The website is more focused on your primary offer than it was pre-crisis. It was a little bit more pick and choose if I remember rightly beforehand. So you've been really bullish on honing the website in and focusing on that which is great to see. Am I right in saying that? Was that the kind of approach that you took?

Luke: Yeah. We just had a conversation, we said, if you are not speaking in this time in all your marketing, like if your website is not speaking to the [COVID crisis](#) and how you can help customers that are dealing with their version of the COVID crisis, their problems associated with the COVID crisis, or if you are not speaking to how they can recover from the impending recession from a COVID crisis then you probably aren't going to be successful, right. Those are the only two things. Your website should be doing that, your social should be doing that, your email blast should be doing that. I saw of a few brands that I just cringe when I see a

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deaf automated social going out or automated emails going out, and they're talking about things that have absolutely no relevance right now; and they just sound out of touch. I know they created a drip campaign or they plan their social months ahead of time and they are just coming across as totally tone deaf. So we want to make sure we are only touching on those two things. We need to have empathy around those two things because that's what our customers are dealing with, that's what our customers thinking about non-stop. Now our solution like can be an escape from like the constant... When we reopen our studios for example, we think walking into one of our studios should be an escape from the stresses of your life, and the stresses of [COVID](#), and the stresses of the fact that you have 3 kids at home and you have to home-school them, and your spouse is at home working and you're like, "My goodness, I just need to get away." Okay, so you can come to the studio and have an incredible workout. So we're still speaking to those main two things and I think the website needs to be streamlined for that. Absolutely.

Lawrence: Yeah, I've noticed your copy on your site is so empowering, is so effective, and I really encourage the listeners to check out discoverstrength.com and just look at the copy, pay attention to the adjectives, the type of wording that DS are using. It's just like your saying, it takes what is a stressful situation says, come over here and we will turn that around. We hear some positivity to think about, and that's powerful. I'm just curious, you've got your call to action at the bottom of the page

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for your home workout series. How effective has that been? Because I'm guessing that's kind of in a way a lead magnet for driving virtual training.

Luke: Yeah, it's not in a way a lead magnet. It is 100% a lead magnet. I mean, [Hannah](#) our marketing VP, has been better in the last two months than she's been in 10 years. She's just absolutely at her best right now. She said so many things that when she first said them, we resisted them, and then within 5 minutes, she had us convinced. So we're going to launch two things. We're going to launch virtual training, virtual 1-on-1 training which we did. The other thing we are going to launch was just a subscription where we would send you workouts every week. We would send you strength training workouts, some type of high intensity interval training workout that you could do, there's a video. We shot like hours of video, like, we shot all the video, all the workouts. Then, we've had the written workout that accompanies the video, and we render a subscription model and we were going to make it dirt cheap. We're going to go \$9 a month, and we thought, "Well, \$9 a month is so cheap that people could just forget about it and they would never cancel it. They can use it or not use it." And I speak all over the place and I speak to people that are not in the field of exercise and they are always like, "Well, how do I bring this forward?" I'm like we could sell this. We could sell this \$9 subscription. It would awesome. Imagine if we just racked up hundreds and hundreds and hundreds of people on this we'd have "passive" income that was coming in; and that is our plan. Within 2 days, Hannah said, "We're not doing that

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anymore. We're giving it away for free and it's going to be our new transitional call for action." It's going to be a lead magnet. People will give us their email. We'll give them all of this content for free, and it's like six weeks long of workouts. And then after you get to the six weeks of workouts, what are we doing? We're dripping emails at you around our virtual training and we'll see what our conversions are like to virtual training from that, but I think she's spot on. Ultimately what we want to do is we want to do a virtual 1-on-1 training and this is a great lead magnet for that. In the meantime, we're providing value. I mean it's the best type of transitional call to action, right. There's real value there, but then it brings them into a drip campaign, and allows to, first of all, earn that trust, provide value, and eventually we can make an ask. We think it's going to be a right approach.

Lawrence: Yeah, this is so interesting. You've almost convinced me. It changed my mind during this call on this particular points. Would I be right in saying, it sounds like the \$9 subscription would almost conflict of your main offering? Because it's kind of like if supervision is important, Luke, why are you selling something that's unsupervised? Was that kind of part of Hannah's argument? Because I think that's pretty compelling and that's actually a good reason why you should focus like you have.

Luke: Yeah. That was actually not a part of her argument. As much as I'm complementing her, she didn't even bring that part of. But I agree with

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you on that, her part was this is too valuable of a transitional call to action and it will get the customer to do what we actually want them to do.

Lawrence: Yeah, interesting. I mean, \$9 is fine but it's not \$39 a session. It's pros and cons because it's leverage.

Luke: So a great analogy, so, you know, there's a few different marketing people that we love, and one of them is [Donald Miller](#), right, so Donald Miller has a subscription. It's called [Business Made Simple](#). And every day, you get an email from him that's a video, 2-5 minutes long and it teaches one business or marketing principle. And I'm telling you, every single one of them, or 95% of them are freaking awesome. They're unbelievable. Like, I would pay for that subscription, but he hasn't charge a penny for it. And Hannah used this as an analogy for me to understand why we are not going to charge. She said, "Luke, you get that every single day, and you love it, and you watch it, and you forward to me even though I'm getting it also", and we talked about it. "...and it's influencing you." And then guess what he's doing, he's continually positioning himself as an expert and he's providing value and then when he hits you with an email saying, "I'm offering a writing course..." He's offering a course, a 7-hour course, on how to write. Well, guess whose signed up for it? Hannah and I signed up for it. It's next week. We are going to take a 7-hour course on how to write copy, alright. And then a few weeks later, he says, "Hey, I'm doing this..." I mean this is actually in September. He did a live course in Nashville, 2 days, on how to rebuild a lot of your marketing. Guess who bought that

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course? Hannah and I did, okay. Then he came out with a new book called [Marketing Made Simple](#), and guess who bought it, a full 2 months before it came out, Hannah and I did. I was like, okay, it worked. And Hannah is like, “And that’s what we’re going to do. The same thing. We’re going to offer this for free and it’s going to be valuable.” Sometimes I think a business makes a mistake with the transitional call to action. It’s just really low value. It’s like a PDF that’s like, really, it’s not great. It’s like you got to give really good content. His [Business Made Simple](#) daily, these videos he sends out each day are so good, I would literally spend a thousand dollars a year just on that subscription. That’s how good it is and it’s all free. And he’s using it just to funnel us into the other things that he thinks are more profitable.

Lawrence: Yeah, I think I’m going to check that out. That sounds awesome. That’s so interesting. So just talking about email list for a moment, I was interested to learn that you have about 8,000 subscribers last time we spoke in your email list. Has that been effective in terms of sending campaigns out of your list and driving virtual training sessions that way?

Luke: Yeah. Okay, you’re just asking so many great questions. The new world that we’re in of virtual training makes our conversation so much more interesting because we have to pull levers that we just never had to pull before, and there’s value in certain habits and disciplines that we just weren’t able to tap into before. Creating and nurturing email list is like, I

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don't know, one of the Top 5 priorities for the small to medium size business, right. Like you grow a business, probably not on social media, you grow a business on email list. I know that you know that and you believe that. But like email list are more important in 2020 than ever before. In this age of [COVID](#) they're more important than ever. And so if you've been nurturing a list or growing a list for a long time, now you can turn that list and you can sell something with that list. Yeah, we absolutely have said okay how are we going to use this massive list and start selling them virtual. I mean, we have people that's you know haven't been to our studios in 10 years. Like I just did a virtual workout on Sunday with a Maxim model that lives in Las Vegas. And like she hasn't been to our studio in ages, right, like ages, but she got an email. So we're doing workouts to people all over because our clients overtime moved. And if you're in business, everything is long game. If you're in business for a long time and your listeners that have been in business long time know these, people move and their lives change, and then they get this email from you and you're offering virtual workouts, and they trust you, and your trainers, and your brand and they are willing to try it. So we've done virtual workouts with people that are all over the place because of that email list. The email list has always been valuable, but, man they're more valuable than ever right now. When I give talks, I give all these talks to this vestige peer CEO groups and I collect their emails and I have nothing to sell them ever. Nothing to sell them. You know, I have like a thousand of their emails. These are a thousand CEOs of companies that are \$10 million to

[269 – How to Generate \\$44,460 Per Week with Virtual Personal Training](#)

about \$500 million in revenue. I'm like, I'm just going to keep collecting them and I send them a fit tip and that's all I send them. I don't ever try to sell them anything. Now, we have something to sell them. We have virtual training to sell them and what a great opportunity. So continue to collect emails and absolutely we should be emailing and marketing via email and creating drip campaigns right now to our list.

Lawrence: Now I've got a 3 minutes with you. I just want to ask one final question. The rest we're going to have to save for the webinar later on today. Influencer marketing. Now, I saw someone on Instagram, she had like a following of like 57,000 followers on Instagram, very attractive woman. I'm not sure if it's the Maxim model that lives in California. But she did a story or a post and obviously promoting a virtual workout with you, after the fact. And I just thought, wow, that could be pretty powerful. Do you know who I'm talking about? I sure have written down her name. I think it was like, oh, I can't remember. It's some quite of a high profile person, relatively speaking, on Instagram. I'm just curious the type of impact that influencer marketing might be having on generating leads for you.

Luke: Yeah, man, Lawrence, I feel like you have all the great ideas today. You are 100% right. Hannah and I are lining up meetings right now. We just had our huddle this morning to talk about it, with all the big ad agencies in town or the agencies in town to talk about how do we go about a strategy of using influencers around the country to grow our virtual. Because it's a

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space I just know nothing about and it just doesn't turn me on. I don't get excited about someone who just has a bunch of followers on Instagram and we're going to pay them money to like say they like our produce. It's just sounded weird. Maybe I'm ancient, you know, Like I'm just absolutely a dinosaur. But I think that's one of the ways that we could grow virtual and so we're engaging those conversations. I 100% agree with you. 100% agree, how do we get to the right few influencers, compensate them the right way, and create the right ROI to grow virtually. That's a thing that... We have to remind ourselves every day, like [Discover Strength](#) does, and I'm sure some of your listeners have to remind themselves that we could do a virtual workout with anyone. All I ever thought about is marketing to our geography and now it's like well anybody could do a virtual. So we have to change how we're thinking about our marketing a little bit.

Lawrence: Yeah. Oh, what was I going to say there on the influencer marketing. I guess one thing to bear in mind and those listening to this thinking about exploring that as a marketing channel. We just need to think about their following and whether or not their following is going to have a good size cohort for your target market. I think it's probably one of the main variables you want to consider in that strategy.

But Luke, it will be interesting for you to hear this, Shawn is going to listen to this, my business partner, and he's going to be so fired up. I know he's going to hear you speak and he's just going to be just pumps. We've

[269 – How to Generate \\$44,460 Per Week with Virtual Personal Training](#)

actually decided to... and I don't know why I didn't think about this and because we were holding off our studio which is going to be called Optima Strength. We held off, and we were like, "Okay, we are going to reopen when things return to normal." Oh, sorry, open because we are not reopening but opening for the first time. But now, we're like, why don't we just start a virtual business and then offer both when things return to normal. We've actually just had spent the last few mornings, getting on the phone super early and fleshing out our core values and our core focus in line with this change. It's so exciting, so we're actually going to be opening something and starting something quite as soon ourselves. I'll be obviously reporting on the podcast about how that's all going, so there you go.

Luke: I love that. I think it's brilliant.

Lawrence: I appreciate it. So, Luke, best way for people to find out more about you.

Luke: [Discoverstrength.com](https://discoverstrength.com), they can always email me luke@discoverstrength.com. And maybe the best social is Facebook or Twitter, or not Twitter, probably Instagram [@lukecarlson3070](https://www.instagram.com/lukecarlson3070).

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