



Luke Carlson (May 2020 Live Q&A)

Lawrence: Welcome everyone, this is Lawrence from [High Intensity Business](#). I'm here with [Luke Carlson](#). Welcome to the May 2020 [Membership](#) Live Q&A. Really excited to bring you this one today. If you are attending this for the first time, we do this every single month within [HIT Business Membership](#). We typically alternate between business and personal training. Previously we've had Luke before, we've had John Little, we've had Dr. Doug McGuff. Today, we have Luke Carlson, who is the CEO and founder of [Discover Strength](#).

The Q&A is quite open. You can ask whatever questions you may have that may be important to your business at this time. But I suspect that it's probably a good opportunity to ask questions about how to recover, how to reopen successfully. Probably a good time to talk about how maybe things like marketing strategy and tactics may change to align with different consumer behaviors and values people have. If you have a question, please raise your hand on the control panel, and I will unmute you'll be able to ask Luke any question. If you have a problem doing that then just type the question in the control panel and I will read the question out to Luke and will answer it that way. Feel free to ask follow up question. Luke may ask you a question to refine. This is recorded so please don't say anything that you don't want people to listen back to. But do remember this is a private community of currently around 60 high intensity training studio owners and entrepreneurs. It's a private community. It's not being broadcast out to the world.

Luke Carlson (May 2020 Live Q&A)

Luke, thank you so much for joining us today.

Luke: My pleasure, Lawrence. Thanks for having me. Guys, Tim, Wayne, welcome. Good to have you in the Q&A. I hope you guys are doing well. I hope that your businesses have got reopened or reopening soon, and maybe even doing some virtual training on the side. Please raise a hand if you have a question for, Luke. It's obviously a great opportunity to really get ready for re-smashing it as we all start to reopen the studios. Just a kind of get things going I have got a seed question here.

Luke, I recently pulled my audience and my members, and kind of ask what is the biggest challenge I have in their business right now? Wanted to do that so I could figure out what's the kind of solutions and content I need to create going forward. We're no surprise, as you know, I sent you a message about this. The vast majority if not all the responses were related to marketing help. Why do you think it is? I guess it is more of a meta question, but why do you think that... You and I have covered marketing strategy and tactics significantly on the [podcast](#) and in the [Membership](#), so why do you think this is one of those theme that just continuously comes up. I supposed it is just no in HIT, it's in all business. But why do you think it just keeps coming up all the time?

Luke: It's a lack of understanding of what drives a successful, profitable, growing business. They are asking the wrong question. If you are asking the wrong question, you're always going to struggle, right. The issue is not

Luke Carlson (May 2020 Live Q&A)

I need marketing. The issue is I need to grow. They falsely assume that they need marketing help to grow and that's just not the case. You know, my favorite quote, and the word isn't marketing, "The word is advertising." That you could maybe say marketing. I think it's advertising. Advertising is a tax paid by unremarkable businesses. You just can't out market a bad or a mediocre client experience. I'm convinced that most marketing problems are actually operations problems that are disguised as marketing problems. That maybe sound like a controversial statement but I just met very few studios that have a marketing problem. Could their marketing improved, yes, but that's not the barrier. The barrier is the delivery of the experience.

Lawrence: You and I have spoken about this before, and I asked you about product vs. marketing. I know you've spoken this before but I'm just keen to get your update and perspective on this. [Tim Ferriss](#) is quite famous for saying, "You know what, if you focus on the product in the beginning...", if we are talking about startup, "...all you need to do to market that business is add value to user and you create that word of mouth marketing, that word of mouth army, you build up a sufficient number of true fans..." So you get towards your kind of 1,000 true fans and then they begin to market on your behalf and then your focus should just be on add value to user. One thing each week add value to user on the business so that army, those true fans, just become more evangelical about your product and your service and talk about it with others. And on the other end of the spectrum you've got someone like [Gary Vaynerchuk](#) who says, "Product

Luke Carlson (May 2020 Live Q&A)

and service is subjective. It's not really that important. You just need to spend all your time marketing and you'll be successful."

Can you just give your thoughts on those two different approaches and what you think about product vs. marketing?

Luke: I never heard Gary say that specifically. I follow a ton of Gary's stuff and I just love Gary, but I never heard him specifically say that. So that's news to me. It's my contention that if you have, in our industry specifically, if you have the right experience, so we could call it product, I'm just going to call it experience then we will create word of mouth and referrals. That's not true only in a high intensity training business. It's true in most businesses whether it's your tax accountant, or your attorney, or your chiropractor. Referral is the most powerful way for a service business to grow, and it's always been that way. Frankly, I think it's always going to be that way. Now, there's things we can do in our marketing to enhance that. But I don't think it's traditional paid marketing is the key to growing a high intensity training business. I don't fully know Tim Ferriss' idea there, that construct, and I don't fully understand Gary V's. I would probably lean towards Tim Ferriss'.

If [Hannah](#) is here with us on this call, she is our Vice President of Marketing, shed' say, "Well, you have to market well, but what most people think marketing is is not really what marketing is." I actually agree with that as rhetoric as it sound. You have to market well. You have to do

Luke Carlson (May 2020 Live Q&A)

a tremendous amount of advertising. Is the engine for growth marketing? I don't think it is. I think that that's the case in a lot of industries. I'm convinced that's the case in our industry in high intensity training.

Lawrence: That's awesome. I mean, you and Hannah have gone so deep on marketing and business in terms of your own personal development and reading. I would just like to take a moment to ask you, what do you think are the top free books or resources or blog posts that have had the biggest influence on you in terms of helping you understand marketing? Because you just see in such a refreshing way and I would be keen to develop a similar understanding and I'm sure many of the members would.

Luke: [22 Irrefutable Laws of Marketing](#) is one of the best books ever written about marketing. That's one. I would use as a guide because it's so incredibly simple, [Traction](#). Man, if your listeners want to read something that they can take action on it is Traction. I actually have to give four. Number three is, [Different](#), by Youngme Moon. And number four is, it's two different books by the same author, so you could either do [StoryBrand](#) by Donald Miller, or Donald Miller has a new book called [Marketing Made Simple](#) that just came out. You could buy either one of those. I think you probably got to buy both. Lawrence, I'm a horrible guest. You asked for three and I just gave you five. But those two books work together and they allow you to start building a funnel and creating an email list. That would be the foundation of all of your marketing going forward. I can't

Luke Carlson (May 2020 Live Q&A)

picture a small business that can't grow if they implement the concepts that are in that book.

But let me just tell you, I know people that have spent the money to go to Donald Miller's live course. Hannah and I have gone to his live course, and then we look at their implementation, and they just didn't implement it. So going to the Donald Miller course or buying the books doesn't change your marketing. You actually have to do it. There is some people I really respect have gone all into it and said, "This is one of the best marketing books." But if you look at their website and if you look what they've done, they didn't apply it. So none of these matters unless you are willing to apply it. And I tell Hannah every week, I'd say, "The difference between you and everybody else is you learn something, or you read something, or you go to a course and it becomes engrained in your DNA and how you approach the work." I don't know. It took me like 15 years to realize that it's not a matter of collecting more ideas and more knowledge, it's do you actually take action on it. Do you actually apply it and implement it in every aspect of your business? And there's such a huge chasm there. I've noticed that there is no correlation between your intellect and whether or not you apply things. Because I've been surrounded by brilliant people that just don't apply what they read or what they learn. I don't even know if they have an awareness of it. That's not a derogatory statement because I'm literally talking about people that are more intelligent than me and I say far more intelligent than Hannah, but what makes Hannah effective is she can read something and it becomes imprinted on her DNA. And then

Luke Carlson (May 2020 Live Q&A)

when she does work in the future it's always going to play to whatever that new learning is. She is okay with abandoning the previous version of herself and going to work and approaching her work with a new knowledge, with a new information.

Lawrence: Thank you for that. Yeah, that's the thing, right. A tiny percentage of people take action on resources, on content. It's just a fact across the board really. Tim made a good point here. He says he agrees with the be remarkable approach. A book you've mentioned before, Luke, is [Purple Cow](#) by Seth Godin, classic marketing book. And obviously you've talked at length on the podcast and in the [Membership](#) with regards to the importance of being remarkable in your operation, in your service, in what makes you different. And then, obviously, people then remarking to one another and generating that word of mouth marketing.

He's got a follow up question now. He says, "I'm curious what words do your clients use when they are telling their friends about you?"

Luke: Yeah, great question. When we answer this question, let's come back and make one Gary V comment. Because Gary V says something that's brilliant that applies to everything that we are talking about. Who you just said that question is from?

Lawrence: That's from Tim Stone.

Luke Carlson (May 2020 Live Q&A)

Luke: Okay. So Tim, great question. If you are doing it right, I think your customer when they talk to their friends are going to talk about your uniques, the differentiators of the brand of the business. What we would say is when our clients are talking to friend, man, if we are doing it right they are talking about how efficient the workouts are, “You won’t believe it, I only go there for 30 minutes and they are once or twice per week.” Okay, that’s what we want them to say. And we want them to say, “I tried this studio, this studio, this gym, and this online program but I was always getting injured because the person I was working with, I don’t think they were really an expert. Let me tell you the person I am working with now or the people I am working with now have this, and this expertise.” So our second differentiator is expert educated personal trainers, so that should come up in that conversation. And the third one is evidence-based approach or evidence-based, so we would hope that they are telling their friends, “Here’s the deal, that, you know that science says it actually doesn’t matter if you have a heavy weight or a light weight, or how many reps you do? The only thing that matters is do you go to muscle failure and you get as near to muscle failure and as many exercise as possible.” So we want to look for those things in our NPS feedback, our Net Promoter Score feedback, because those are the things that people are going to say to their friends. It’s how likely are you to refer [Discover Strength](#) or whatever the brand is to a friend, or family member, or co-worker. And then, you provide some feedbacks afterwards. Well, those are the things that they’re actually having conversations with their friends around.

Luke Carlson (May 2020 Live Q&A)

The other thing that I would add to that is that's probably on the context of how are we solving a problem for that customer. That's what they are going to frame up is I had this problem and here is how they are solving that problem. I mean, they are saying, "You know how busy people don't have time to work out. Well, I found this gym that allows me to do that." What they are not talking about is MedX machines. What they are not talking about is that Arthur Jones created the MedX machine. What they are not talking about is the MedX machine has 2lbs. weight increment. What they are not talking about is that we are using this exact speed of movement when we perform a repetition. That they then may say, "Hey, it's not half hazard. I'm not following weights around anymore like I used to do at (fill in the blank) large franchise studio concept", but they are not getting into some of those nuances. So when they tell that story, it's how was my problem solved.

Lawrence: That's brilliant. You remind me, I recently revamped my entire sales page for the [Membership](#), and one of the blocks of texts in there, the headline is, "Your prospects don't care about high intensity training." In that block I just talk about the common mistakes that you just outlined there and obviously the ways in which the most successful HIT business owners are framing their services to prospects.

Tim also asks if you are comfortable giving this, Luke. He says, "I got to ask what is your NPS these days?"

Luke Carlson (May 2020 Live Q&A)

Luke: For the last six weeks, it's weird, it's actually improved during this [COVID season](#). It's improved when we went virtual. So we've been 92 for like 30 some weeks, and we're at 93 right now for 5 or 6 consecutive weeks.

Lawrence: 93. Wow! Tim just said that is amazing.

Luke: To provide context, Net Promoter Score is a measure of customer loyalty. I just wrap up reading a book that, hey, what is then NPS really? NPS is a measure of how much customers love you. It's literally a metric of love. Dude, does the customer love you. Now, [Bain & Company](#) created it as being the best most effective long term predictor of profitable growth of an organization. That's why they created it. They want to be able to asses. They want to be able to predict long term whether or not a brand is going to be profitable over the long haul, and that's what they came up with. I mean, I like both definitions. But I like it as long term profit prediction, but I also like it as what's the measure of truly how much your customers actually love you.

Lawrence: Yeah, I love that. I've actually started implementing a quarterly NPS score survey myself to try and get that process in place and get that consistent... You know, just on that, Luke, could you talk more on the mechanism in [Discover Strength](#) how you actually execute the NPS process in your business? I think you said it is quarterly and you deliver

Luke Carlson (May 2020 Live Q&A)

that via email. But could you just speak on the process so that people could get an idea of how they can then implement that in their business.

Luke: Yeah. Pretty simple for us because it's automated, right. You usually use a service that automates that for you. We use [Listen360](#), and so after someone does an introductory workout they get the email sent to them that asks the question, and it is called the ultimate question. And then every quarter they get the at same email sent to them. So it's not a matter of how many workouts you did, it's just once a quarter that email goes out, and someone can give you 1 or 10. 9 or 10 is a promoter, 7 or 8 is a neutral, and then anything 6 or under is a detractor.

Here's the deal, NPS is not a score like a score that you would have in high school or college. If you get a bunch of 9s, it doesn't average out to 90%. It is actually your percentage of promoters minus the percentage of detractors that you get. And all the neutrals, the passives, the 7s and 8s, are thrown out. So the highest score you can get is 100. But the lowest score you can get, it's not like in a test, it's not 0, it is -100. A pretty darn good score is like a 30 or a 40. There's plenty of companies that have a -10 as a score, but -100 is the worst score that you can have. I always have to caveat that because when someone thinks about NPS, they think about it as like a grade in school, 70% is C, 80% is B, 90% is an A. That's just really not how it's set up.

Luke Carlson (May 2020 Live Q&A)

Lawrence: There is a great follow question here from Tim. I think you'll appreciate this, Luke. He said, "When you are having those why did you rate us a 10 follow ups, do those answers align with your three uniques - efficiency, science-based, expert trainers?" Have you found that to be the case?

Luke: Yeah, and we look at that all the time because we say if these three uniques aren't resonating anymore, people aren't mentioning them, maybe we have the wrong three uniques. Maybe we can continue to do wherever that unique represents but it's not always you go to market with because it is just not resonating with our customer. So when we read through that, and we read through that in a regular basis as a team, if those uniques are not emerging in that NPS feedback then there is a disconnect. It is a brilliant question that's being asked, and yeah, we tremendous consistency and congruency. I think the one thing that you'll see sometimes is you'll see a little bit more and more [unclear - 19:54] comments toward how much I love the staff. And that's clearly not one of our uniques. But as long as there's enough context in there around each specific three unique I think a brand is on the right track.

Lawrence: It's probably... Or before I ask another question, I'll just repeat, Tim, Wayne, or anyone else, if you got a question please do raise your hand or typed it into the chatbox. This is your time really ask Luke anything.

Luke: Lawrence, is it appropriate if I may say Gary Vaynerchuk comments now. Is it appropriate to say that now?

Luke Carlson (May 2020 Live Q&A)

Lawrence: Of course.

Luke: I'm really sorry for interrupting but I just wanted to say before we get far away from it. You said earlier, is it marketing? Is it the quality of the product? I think this goes back to one of Gary Vaynerchuk's biggest themes. Man, if you listen to Gary over time or if you read Gary over time, I think his chief obsession is self-awareness. It's self-awareness in the entrepreneur, self-awareness as a human being. And so when we are talking about do you understand whether or not your product or service is generating the referral, I think maybe the biggest issue we have is a lack of self-awareness. We have entrepreneurs in our space that don't realize, that are not self-aware, that don't understand that their workout experience could actually improve. And Gary, I wouldn't say this, Gary would say, "Man, if you don't have that self-awareness, good luck", like you are in trouble. I think it starts with that self-awareness to really look at your experience and say, "Is my experience where it needs to be?" I would say that if there is a critique on high intensity training practitioners I think they are above average in intellect. I think they are above average in [unclear – 21:52] I just think they are really incredible people practitioners/entrepreneurs, but the thing they lack is self-awareness. That sounds like a really derogatory statement but that's my realization of just listening to Gary talk about it over and over and over. We just have really bad self-awareness in our space. Yeah, that's a controversial statement.

Luke Carlson (May 2020 Live Q&A)

Lawrence: Not at all.

Luke: But I think the awareness, that we lack self-awareness is an opportunity to improve.

Lawrence: Yeah. I think it's very evident. You know, I just for the record, although I criticize Gary's viewpoint there, I'm a huge fan as well and I do listen to a lot of his stuff. Although, I have to kind of rein it in if I listen to too much because he just gives me so many ideas that I end up becoming quite unfocused. Yeah, I've heard him say a lot about developing self-awareness.

You know, I was thinking it for myself, I think I'm still working on that. I'm still trying to understand myself better. One of the ways I think is just being brutally honest with yourself and looking at what you do habitually, what you like to do, what you don't, what you naturally don't like to do, what gives you energy, what takes away energy. But then I also think, it's really great to ask feedback from others from friends, family, clients, colleagues, what they think about you. I think that helps cultivate that self-awareness. Those are some of the ideas I have, Luke, but I'm just curious how have you developed self-awareness for yourself?

Luke: I think you have to ask your peers and you have to be willing to listen, and you have to have a degree of vulnerability where you're ready to listen to whether it's formal 360-degree feedback. But you have to be able to listen to

Luke Carlson (May 2020 Live Q&A)

your peers, your colleagues, your staff, sometimes friends and family and loved ones, and process what they are saying and absorb it to reframe where you're really at. I think it is a conscious effort, right. If you don't have the conscious desire to be vulnerable and to say that there's things that you don't have figured out and that you're struggling, like, that's where it starts. I think that self-awareness starts with vulnerability that you want to hear it from other people, and you want to start painting a picture, and painting an accurate picture. I think it's how do you keep this entrepreneur, like, you have to have thick skin and you have to charge forward. You're going to get knock on your butt and take into your knees, and then you have to get up and dust yourself off and move forward. It takes a degree of toughness to be able to do that resiliency.

Well, how do you retain the resiliency and the toughness and kind of this conviction while also being self-aware and being vulnerable enough to be reflective? Man, that's the balance right there. Because of you go too far in either end you're out of touch with the product, you're out of touch with the customer, you're out of touch with your team. But if you are in this space of non-stop self-awareness, and reflection, and vulnerability, you can actually become potentially weak, and lacking conviction, and resiliency and so forth. I think there is a balance there. My goodness I don't have a secret formula for achieving that balance.

Lawrence: No, that was a great answer actually. I got another. Tim is really capitalizing on the opportunity here and he's got a big question. It's a long

Luke Carlson (May 2020 Live Q&A)

one so I'm just going to read it. I'm not sure if you can see this, Luke, on the control panel so I'll just read it to you. This is Tim talking about from his perspective, "During my own history of beginning a business through selling that business I didn't really have a true 'exit strategy' just focusing on my own business and growing it for our customers in hindsight. I was somewhat aware of the non-balance sheet value that was being created along the way. Do you have an exit strategy in mind and how are you looking at the value that is being created by the business?" I guess he is talking about you and [Discover Strength](#).

Luke: That's some great question. I would start off by saying I concur with him that you have to have an exit strategy but I would just take it... I don't know if it's a step further or if it's a step back and say I'm not convinced that you have to have an exit strategy. I'm convinced you have to build the business so that it has value, so value beyond yourself, so that you could exit. I think you have to build the business so that you could sell it if you want to.

Let me give you an example for us. I don't have a specific exit strategy, and I'll just be super candid. You know, we are on a franchise process right now. We spent the last year and a half building a franchise company and we're going to start franchising, and we work with really, really high price consultants out of Chicago to help us build this, and one of the consultants live in town, and this particular consultant lives in Atlanta. He is in the car with me, just me alone, and we're going to dinner and he said,

Luke Carlson (May 2020 Live Q&A)

“What’s the plan? It’s a 5-year plan and that’s when you want to sell? Because that’s what everybody does.” And I said, “No, I don’t want to sell in 5 years because I will sell and then I’ll wake up a week later...” [Joe Cirulli](#) is the one that told me this of [Gainesville Health & Fitness](#). He said, “Luke, you are still going to wake up the next day, and the next day you’ll probably wake up, and you go to Starbucks and chat with a few of your friends and kind of hangout, and you might do that the day after, so that by Thursday you need something to go to work on.” It didn’t take any convincing from me when Joe told me that because I firmly believe that and I don’t want to bore your listeners if I want to take it one step further. My all-time favorite line, and I get laugh at for this all the time from any of the Rocky movies is Rocky IV. And Rocky and Apollo were talking, and this is where Apollo is deciding whether or not he is going to go fight Ivan Drago, the up and coming Russian that they just have heard about. And Rocky said, “What are you thinking, Apollo? You go all the money in the world. You’ve been the heavy weight champion of the world. Why would you go fight Ivan Drago? You have the money, you have the family, you have everything.” And Apollo says to Rocky, and Rocky is The Italian Stallion, he says, “Because we are warriors, Stallion. And without a war to fight in, without a battle to fight in well then the warrior might as well be dead, Stallion.” And that encapsulates everything Joe told me. He’s like, “Hey, if you’re wired to go to work and provide value and produce and create something, you need a stage for that. You need an opportunity to do that. You need a vehicle for that. Otherwise, you’ll get bored. You got to just

Luke Carlson (May 2020 Live Q&A)

kind of know how you're wired and that's how I'm wired. I would want to start doing something two days later."

[Viktor Frankl](#) who I know has a big influence on you, Lawrence. He says that man actually doesn't require attention less state. [Man's Search for Meaning](#), the meaning doesn't come from the Freud sexual gratification. Meaning is not found in happiness. Meaning is found, Frankl would say from three things, the possible avenues. One of those avenues is work. And so I think work brings so much meaning that... This is getting to be a little bit of a tangent, is it I don't want an exit and I told the consultants I don't want an exit because this is like what I really love doing. The journey is what it's all about. This is so fun.

However, it would be horribly irresponsible if I wasn't building the business so I could exit at any time. What are those possible avenues? Okay, so it's VC, right. It's venture capital. Right now this is the first time in the history of our industry where venture capital, VC money, is actually interested in our space. I mean, even like 8 years ago, you couldn't get venture capital to care about fitness. Now, venture capital cares about fitness. So venture capital is an option, a strategic buyer is an option which means another group or chain of high intensity training businesses or like-minded businesses, or frankly not even high intensity training businesses, it could be a chain, it could be franchise of key card to access 24-hour clubs and they say, "Well, we have this new portfolio." We actually now have a yoga concept in our portfolio. What we don't have is personal training concept.

Luke Carlson (May 2020 Live Q&A)

We want to acquire that. There is just so many, and I just went through a couple of them, there is just so many different potential exit. You have to build your organization so there is value beyond you. And most high intensity training practitioners haven't done that but that's probably not a horrible thing. Most entrepreneurs haven't done that.

And during this [COVID season](#), I'll be totally honest we've talked as a team. We said, "Okay, there is going to be people going out of business. There is going to be people exiting their businesses." Every business is thinking this way right now is who should we buy. I'm in a peer executive group where they are talking about who we are going to buy up right now. This is a challenging time but that means a lot of companies that are in tough cash positions are going to be looking to exit we can buy from companies for cheap right now. So we have that conversation. And of course we said, "Who would we buy?" Who would we buy that provides any value. They haven't built a business that has value beyond the actual entrepreneur. And that's not a knock, it's just how the business has actually been built. So that's a very long winded answer to a short question is I don't have a specific exit strategy. So we have a constant review of what's the value of the business beyond me and if we needed to exit what we could sell it for, so absolutely.

Lawrence: Well, it probably makes sense to elaborate on the mistakes you see. I mean you kind of alluded to it there, but the mistakes you see in the industry where like you say an owner has built the business around them.

Luke Carlson (May 2020 Live Q&A)

Can you elaborate on how that manifest itself with those studios and I guess what they should really be doing in order to be built to sell effectively?

Luke: Well, is the business primarily you? So if you got hit by a bus tomorrow, would the business still be valuable six months from now? And if the answer is no then you really don't have an asset that you've grown that can be sold. So you're hit by a bus, you're not allowed to come to work for six months, is there still value there? That's probably the litmus test #1. But then tactically how do you do it?

Well, one of the things you do is you make sure people aren't buying packages. If you are buying packages of workouts in a high intensity training studio your workouts could be the best workouts in the world and your business was just not worth very much because that's how businesses are valued. Valued if there is a recurring revenue model, meaning people are on some type of autopay structure, the business is worth far more. I mean, that's not my opinion. That's not like do I like packages better. I'm just talking about what makes the business more valuable. I talk to studio owners, a decent amount that say, "I think I'm looking to get out." I'm like, "Well, don't get out now. You haven't built the business to get out right now." Why don't you set a date in the future 12 months or 18 months down the road and you can start taking all the steps to actually build the business so that you could get out and actually make some money. One of them is like I said use an autopay and develop a

Luke Carlson (May 2020 Live Q&A)

recurring revenue. One of them is create processes. So if you didn't come to work someone could open up a document, open up a manual, and see exactly how every aspect of the business is run. I mean, every aspect of the business is documented. So again, you don't have to come to work, that's not your genius, it's the actual processes that are running the business that you are actually selling.

I mean, like [Ray Kroc](#) is not at McDonald's right now physically, right. He's dead. But if I go to McDonald's, McDonald's is running really well. Doesn't even matter who owns the McDonald's, it's running really well. It's not even about the personality. We, we get addicted to personality, right? Our customers love us and they love the relationship with us. Man, that's rewarding and it's addicting, but it's not how you grow a business that can be sold or that has value beyond you. Now, let's be clear, you can grow a business that way. You can't grow a business that can be sold for multiples of EBIDA and actually make money on it.

Now, if you don't want to sell a business... If listeners are thinking, "Luke, I don't want to sell the business and make money. I want to make money in the business right now." And that is 100% okay, but there's different decisions you have to make there also. You have to charge more and it can be all about you and that's fine. I think there is plenty of high intensity training businesses just like I think there is businesses in different spaces that should be just about the entrepreneur. And I think that's okay. I mean, Tony Robbins' business, right, is about Tony Robbins. I think that's okay. I

Luke Carlson (May 2020 Live Q&A)

don't think he should try to replicate what he does and teach someone else to do what he does. I think he should just keep charging more, which my goodness that's what he does, and find ways to scale Tony Robbins rather than build the systems and processes that go beyond him.

Lawrence: Yeah, personal brand is a really interesting and powerful thing. It's obviously a clear way to differentiate yourself as if you are authentically you. Luke, did you hear about Rogan recently moving to Spotify, giving Spotify exclusive rights to his podcast for \$100 million. Did you hear about that?

Luke: I did hear that, yeah.

Lawrence: Sorry, a bit of a tangent but just insane. I'm curious, have you seen the film, the founder about the McDonald's franchise? Have you seen that?

Luke: Absolutely, yup. I saw it in the theater. I remember when it came out. I love it.

Lawrence: Cool, yeah. I thought that would be right up your street. I don't know if it was a realistic depiction of Ray Kroc, but he was sort of obviously quite mean towards the end. I can't believe that the original founders agreed to... What it is they did a deal at the end, but they did a handshake agreement, as opposed to actual contract and they weren't paid a thing at the end which is insane they agreed to that.

Luke Carlson (May 2020 Live Q&A)

Okay, so another question here from Tim. Relatively longer and so I'll just read this one. "When riding the entrepreneurship roller coaster, we start with this uninformed optimism stage. If you are able to speak to Luke day one what would you say that would help day one Luke with the knowledge that you now have?"

Luke: Wow! What a great question. One of the things that I would say, "Luke, that quote that you read from Jim Collins that most overnight successes are actually 20 years in the making is more true than you could ever realize." I don't think I realize how long it would take to really, maybe it's just me, that sheave some of the things that I wanted to achieve. We've been at this for 14 years now. We just had our 14-year anniversary. And if I could talk to day one me I would say, "You got to be patient. You're 26 years old now and don't think that you're going to have it all figured out and build the company that you want by the time you are 30." And maybe that's bad advice because other people have done it in other industries. Would I still proud of what we were doing when I was 30? Yeah, I was still proud of it, but it just takes time and you got to be in it for the long haul. So that's probably more just mindset. What tactically would have helped? It would have... in this. Luke, you can do everything right. You can do most things right. You can treat people right and things are still going to go wrong, like, you're going to have your heart broken by people. You're going to encounter things, COVID-19, that you're not going to be able to anticipate. You better do some things now to continue to build your

Luke Carlson (May 2020 Live Q&A)

resiliency because a storm is coming and you just never know what that storm is. And you're going to be hurt by people. People are going to be your greatest source of joy as an entrepreneur, but they are also going to be your greatest source of pain and you better be prepared for that. So I would love to hear that. Man, I want to give something a little bit more tactical like how you actually should run the business. Oh, it would be this. Don't have a business partner. I needed to know that more than the day we open. But I would have need to know it a year before we open because I was young and I thought you had to have a partner, and I thought the partner gave you strength and other financial support that you just can't find anywhere else, and that is not just the case. I just don't think you need to have a partner. That would be probably the key piece right there.

Lawrence: Yeah, that's awesome, Luke. If listeners are interested, we did a [podcast](#) quite recently which was published quite recently with yourself and Dr. Bryce Lee where you advice Bryce on his business. Fantastic [podcast](#), all about [hiring, and marketing, and startup](#), and at the end we focus on startup and Luke is very transparent about the early days. Because I think obviously people look at you, Luke, and what you've achieved. They forget that you had some humble beginnings and you had challenges just like everyone does as you have alluded to there. So if people are interested in learning even more about Luke's past with [Discover Strength](#) then listen to that [podcast](#). I'll link it up into this file in the [Membership](#).

Luke Carlson (May 2020 Live Q&A)

Tim just said, if you are over in Maui come visit. I think he just opened his second studio there. I know he has two studios now. Tim, I get back to your email as soon as all that came through yesterday. I hope everything goes well for you when you reopen the studios. I'm sure you will.

Okay, any other questions, guys? Just raise a hand or type in the chat pad. We might cut this one short if there aren't any questions. I might just ask a final one give you some time, Luke, to prepare for the live course later today. I think it would be ideal, Luke, to talk about, I see people quite excited about marketing tactics. I'd love to hear what are you guys thinking about or employing from a tactical perspective in the near future?

Luke: I think the most important marketing tactic is... It's going to be really boring, Lawrence, but it's so powerful. What actually works is any marketing tactic that brings in emails is the most powerful marketing tactic, right? You are trying to collect emails and you are trying to use those emails to be able to sell things down the road. I think the best way to do that is to use like a drip campaign. So you are constantly collecting emails. You have 10 emails in your list, and you have 100, you have 2000 email list, and then you start doing drip campaigns where you're doing a combination of providing value, staying in contact with that person, and also creating call to action actually asking them to purchase. That's how we market in 2020 is grow the email list and then drip on that email list by providing value. And one of the ways you provide value is you speak to the problem that the customers having, then you provide value and the

Luke Carlson (May 2020 Live Q&A)

solution to that problem. And then eventually this emails of course have calls to action.

So if all of your marketing is not constantly collecting emails or the majority of your marketing is not collecting emails, I don't think you're doing it right. Anything you do on social just leads to people going to your website, and when they get to your website they are clicking on something where they provide their email so that you can market to them. That's the only way I know of that you can really, I don't want to say recession proof your business, but man, things can happen and if you have your email list you can pivot and you can survive almost anything. The most important tactics are tactics that build the email list.

Lawrence: Yeah, love it, Luke. Just to add to that briefly, I think social media is great. It's a great marketing channel, and great way for you to reach out your prospects and clients and provide value. In terms of driving those prospects back to the website like Luke was saying and then also with client retention providing them value through different content formats. [Richard Wolff](#) does a great job of this with [MEDFitness](#) where he's been creating this short train like a champion video on all aspects of training and diet and so forth for years. I think he must have hundreds at this stage, maybe, I don't know, thousands. I'm not sure. But his customers love it and I think that's just really powerful.

Luke Carlson (May 2020 Live Q&A)

However, the problem with all these platforms - YouTube, Facebook, Instagram, Twitter, etc, is that you don't own the platform. The platforms can change the algorithm in a heartbeat and mean that you would get very, very little reach. They can obviously delete your accounts so it's quite high risk to build a business or marketing systems on those platforms. With email you have far more control. You can download those emails on a CSV and store those locally on your server or your computer, and then, obviously you can upload those to any email provider like [ActiveCampaign](#). I think you use [Constant Contact](#) and [HubSpot](#). Don't you, Luke, at DS?

Luke: Yes.

Lawrence: And it's just a far less risky way of growing your business and marketing your business. So just something to bear in mind when you are thinking about which platforms to invest your time. Luke, I think we'll probably end it there, but I just wanted to ask you if people listening to this who want to join you and me for the [Build a Million Dollar Training Gym](#) live course today. Is that still available for purchase?

Luke: Yeah, absolutely. It's \$69 and as a VIP course that's \$99. They can just go to www.resistanceexerciseconference.com and there is a little dropdown at the top that name of that event and they can just hop on and register for it. It's four hours today and the VIP includes an hour on how to build a website that does exactly like we said, that collects emails, then how do

Luke Carlson (May 2020 Live Q&A)

you build a campaign out of that. How do you build a website that actually create clients? So we have this thing in all businesses but definitely in our business and in our industry where we build beautiful websites that do nothing for our businesses besides look beautiful. And if I had a dime every time I told a colleague or friend over the last 10 years, “Oh, you have a beautiful website.” That maybe a true statement but the website doesn’t do what the website is supposed to do. So there is an hour add on if you do the VIP and that’s what Hannah... But, yeah, we are live today from 10 o’clock Central in the U.S. to 2 o’clock, so it’s four hours.

Lawrence: Yeah, that’s going to be great. I think there will be obviously people listening to this who are too late to hear that, Luke, who listens to this later. Can people buy the course after the fact and once you’ve recorded it will it be available on the side to purchase or what’s the situation there?

Luke: Yes, it will be available. Yup, absolutely.

Lawrence: Okay. Again, www.resistanceexerciseconference.com and there will be a dropdown you can buy the course and I’m sure it will be very high quality. I’m very looking forward to being a part of it.

Luke, thank you so much for participating on the Q&A today. I really appreciate. This was just excellent and you just brought some awesome stuff to the table.

Luke Carlson (May 2020 Live Q&A)

Luke: Well, it is always my pleasure. Thanks for having me, Lawrence. And thanks for everything you do for our industry.

Lawrence: Thank you. For everyone listening, this will be recorded and transcribed for future reference. Thank you so much everyone for being a member and being part of [HIT Business Membership](#). I have a very optimistic view of fitness and high intensity training industry specifically as we head into the future, so some exciting things coming in the [Membership](#). I'm very focused on that myself. In terms of the Q&A for next month, for June, we have very likely and I just need to confirm this. We've got [Brad Schoenfeld, PhD](#) joining us for the June Q&A. Because I know that he's been requested a lot by members so excited to have him on and obviously ask him questions all about things like hypertrophy which I'm sure will be the majority of questions. Thank you again. Thank you, Luke, and talk to you all soon.