



Live Q&A – April 2021 – Walter Vendel

Lawrence: Welcome everyone to the April 2021 [HIT Business Membership](#) Live Q&A. We do this every single month. Previously we've had people like [Luke Carlson](#) who is CEO and Founder of [Discover Strength](#), and [Josh Jarrett](#) whose founder of [Quantify Fitness](#), [Owen Dockham](#) at [Live Oak Strength](#). We've had some big names in high intensity training, and we tend to focus on either business purely or personal training programming and systems around personal training, and we tend to alternate month to month so that we're covering a broad range of topics.

Today, we're very fortunate to be joined by [fit20](#) Co-Founder and CEO, [Walter Vendel](#). Really grateful for Walter to taking a time out today to join us. Since [fit20](#) is one of the fastest growing high intensity training or strength training studio franchises in the world, so there's so much wisdom and experience he has to bring to the table where we can learn from. Walter, thanks so much for taking the time today.

Walter: You're welcome. Pleasure to be here.

Lawrence: You're welcome. The way this works is if you have a question please type it into the chat box. Now, Walter and I going to be focus on startups. We are going to spend the majority of time talking about topics associated with how you actually start a high intensity training business, what are the things you need to consider, business plans, marketing strategy, planning, all of that kind of stuff. We are going to follow that script, but please feel free to chime in your questions as we go, and there will be few opportunities where we'll address your questions. Please do that

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in the Q&A box or the chat box feature. Please note that this is recorded for members, so don't say anything that you wouldn't want people to listen back to. But do bear in mind this is a private niche community in high intensity training business.

Walter, let's get straight into it. I love your questions you sent back to me because it took my plan and simplify it write down. Always guilty of over-complicating things. The first question is really, really broad. How do you start a high intensity training or strength training business? I don't even know where you start to answer that. I love to hear your thoughts.

Walter: Okay. Well, it starts with something very simple but I think everything follows the heart. The first thing is what are you passionate about? That really for me is still the key driver since I started doing this since 2005. You have to ask yourself if you're considering to start a HIT business is why do you exist. Why should you exist with your business and for whom are you? I think it's very important to start to write at the beginning because the first marketing lesson is to decide for whom you are not. And the moment to get mistakes that you can make is try to be everybody's friend or to be for everybody. That simply no cost flow. You have to really start there, and that's determine by your passion with whom you have your closest fit. I think that's really #1 because if you are going too far away from where you really are then you are already be remove into a sort of rational of thinking. That will be the wrong starting point.

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Now, the second thing is starting a business needs to be a really conscious choice because you are in for a lot of problems. Because all businesses that I know of go slower than you think. They take more money, more effort, more sweat, blood, and tears. Still, if you don't have a clear choice about that then you will not be able to handle the inevitable bumps that you're in for which is different to being an employee than someone else has the headaches. But once you decide to start your own business it means the bump ends with you. This is something very important to realize so it's cannot be a casual choice. That's to be very deliberate if you think about it.

The third point I have on this one, I've got 3 or 4 considerations, is you need to really include your partner. If you live together with a partner, you should inform them properly about your impending adventure so they know because my experience with starting a business is 60hrs a week for starters, and in the weekends too. If you think you can start up your business with few hours, I think you're dreaming. All the businesses I know of is that's the kind of hours you startup with. It's not where you should end up with after a few years. But the first few years, I don't know how else to build a business, so it's not a hobby. You need to really understand the third properly, and it needs to really be at right crossroad in your life. The best franchise that I contracted are the ones that really who were on this crossroad of what shall I do now after the next step in my life. And that's the right moment. It's not a good time when you're in a middle of a divorce, or whether your wife is pregnant, or whether you're ill, or whether you got a lawsuit. These type of things causes you distraction. When we are distracted, you won't be at the

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best of your game, and that's probably not the best time to start. These are some considerations that I would throw up first with how do you start a business.

Lawrence: I love that. I love that start. That's so critical because I just have some really big sort of personal decisions that you need to make, need to take stock of where you are, and before you even start thinking about creating any kind of business plan. I guess if we assume that you answer those questions and you arrive with a conclusion that, "Hey, you know what, a high intensity training studio is my destiny."

Walter: Yeah, yeah.

Lawrence: Right?

Walter: Yeah.

Lawrence: What happens next? Where would you go after? If you tick all the boxes, where would you go next?

Walter: Yeah. Okay, so you've got green lights. You're bold, and strong, and adventurous, so you go to the next step, and that's actually to put down a business plan. I'm a simple guy, so I like a business plan that fits on one A4 and a very simple spreadsheet.

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In the spreadsheet, should be very clear for yourself based on the typical cost that you really have to take, what will be your brand if you don't rent out something, what are your spending on marketing, what is the kind of minimal salary. That's actually not all your cost, so you should be able to actually have clear when your business becomes profitable at how many members, what kind of prescriptions, what kind of business model. You really need to describe it in one A4 and do the according spreadsheet. It can be very simple spreadsheet. You've got income and you've got cost. And at the bottom, the figures red or black, one or the other.

Any business that I started, you will lose money, and you need to include that in your business plan that you've been losing money. You need to know that you might lose money a little bit longer than you anticipated because all entrepreneurs are by definition optimistic people, which is very good quality, but it can also put you in a cloud. Now when you make your spreadsheet, you should not be on a cloud. You should really be base in both feet on the ground - reality. My advice would be is to explain them to at least three different people, your business plan. A little bit like in the [Dragon's Den](#), I don't know if you got that program, that you need to sell your business.

Lawrence: [Shark Tank](#).

Walter: [Shark Tank](#).

Lawrence: Yeah.

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Walter: Yeah, stuff like that. Or you think of this guy on, what's his name though, who buys businesses. Anyway, so you really have to explain, and you explain your business to them and then you need to ask them the very important question "Would they invest in your business?" Yes or no? And if they say no, then it's a very wise thing to ask the people you've explained your business proposition to, "Why they wouldn't?" Because maybe they're seeing something that you either unable or unwilling to consider, but you should welcome it because all the objections and all the criticisms can only lead you to create a more sound base from which you start your business. And if you take 3 people, probably you got 3 different types of people so you've got a balanced view. If all 3 said, "Yeah, I want to invest in you." No sort of second thoughts. Probably, you've got your business idea, your business plan at sound. If you got 3 no's, think again before you put money into it, because losing money is easier than making money.

Lawrence: I love that. I love this so far, so sound. Let me just comment one point. Firstly, I'm really happy what you said about the simple A4 spreadsheet. It is exactly what we did, and I never feel like it has to be any more complicated than that. I mean, okay, maybe you can add in the spreadsheet and then you can talk to some, the [EOS](#) things like what is your strategic niche, three uniques, that kind of stuff. Obviously that's important too. I'm sure we'll probably come on to some of that stuff. But I did exactly that. I've actually shared a template which I link to this if members want a template for a business plan sort of rough cash flow. Obviously, it's a template, so you're going to have to plug your own values into that, and you can work out

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over sort of a year or so when you're going to become profitable, and factor in all the different expenses and cost and obviously revenue and all that kind of stuff. I guess the other thing you have to factor into that, and maybe this is obvious Walter, is your upfront cost as well as that's obviously going to start you in the red.

Walter: That's right. Yeah, I should clarify. It's actually 2 spreadsheets - one is the investment, and the other one is your expectation, your running cost. So, that's right. What I always do for our franchisees is in the investment is included in the whole outfit – all the equipment, the studio and looks, all the marketing costs for the first year. But also to compensate for the fact let's say if it takes 6 months to be profitable where you're going to live from in those 6 months. We include that in your investment.

What I found is it's not so easy to perform at the top of your game when you're stressed out. One of things I protect my franchisees from is to be stressed in the first year, because your first year as a business owner is the most stressful period. It's where you don't have yet a routine, where you're not yet established. There's so many insecurities and uncertainties that can make you stressed. And when you're stressed, you can't think straight. You should take these things into your investment because then you know I've got a well thought out plan and now I'm going to execute it, and I trust and believe on my plan. If you do that then you save yourself a lot of unnecessary stress. You have more fun. And guess what, if you got more fun in your business, you grow faster.

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Lawrence: Wise words. Love it. This is really good information. What would you think for someone who is looking at, okay, maybe they've joined the [Membership](#) but they haven't quite actually executed on starting their business and haven't invested much yet? What can they expect do you think, a rough order of magnitude in terms of upfront expenses when they are starting this kind of business? I know like very significantly, but if you have to give a range for an average, 1,000 sq. ft. studio, 10 pieces of equipment, that kind of thing. What would you say rough order magnitude?

Walter: Okay. Well, I'm not very knowledgeable beyond [fit20](#). For our business, and that's 80sq.m, so I don't know how to translate to foot. It's x 3.5 or something.

Lawrence: I have absolutely no idea. But I'm sure the listeners or viewers can watch. They can go Google for that.

Walter: Feet to square meters converter. Let's say we need typically €80,000 to launch a business. I think that's pretty moderate. But if you are starting a boot camp, then you don't use any equipment, so it's all body exercises. That's actually sort of the investment. It depends how many pieces of equipment you've got. I think that's kind of hard thing and the square meter price is an important thing. My advice, if you're going to rent space, rent as little meters as possible because you don't necessarily are going to make more money if you rent a space let's say 20sq.m larger. You may think you need that, but do you. It's easier to later scale up rather

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than to rent immediately and confronted with very high rent cost for monthly basis which really impact your profit line.

Lawrence: Yeah. Great point. I should correct what I said there actually. Come to think of it. You're absolutely right. This is kind of a silly question how much you need to start because it's like how long is a piece of string, right? It really depends on the vision. You could literally start with probably €5,000 or €10,000 if you are super lean, right?

Walter: Yes. You can buy a BMW or a Bentley. They're both good but one is a little bit more expensive.

Lawrence: And you can always upgrade every time I suppose. It depends on where your starting point is, how much you are looking to invest, where you are in life, what your vision is, all of that. Yeah, that's a good point. Okay, so sorry. Just going back to what you're saying there about presenting to 3 friends. I thought it was a really cool idea. My only criticism of that is, okay, I know this is a little bit of selection bias which you might critic me on, but you know like the chap who started [Alibaba](#). Is it [Jack Ma](#)?

Walter: [Jack Ma](#).

Lawrence: He is Chinese or I can't remember. I remember there's a story about him presenting maybe this is because he chose the wrong people, but he presented his

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idea to his whole family. It was like 20 of them, family and friends. And they've all just shut him down. They all said, don't even dare. And now he's like one of the wealthiest men in the world and he's a huge success. What would you say to that in terms of your strategy?

Walter: Didn't you read his autobiography?

Lawrence: I haven't so I could be completely wrong.

Walter: I did. Actually, his first employees all got shares in the company. They used to have their meetings in his home, in a small flat for a long time. Actually, this first people joined him eventually were sort of believers, a little bit hypnotized by his enthusiasm. That's how you could really start very well. I think that kind of thing I recognize. I also think what you're saying is true. This is why I started with passion. If you see something which no one else sees there's two possibilities, you have just touched some gold nugget or you're maybe a little bit misinformed.

Lawrence: That's the tricky thing, right, is how do you make that distinction. Let's say you're just so passionate about this idea, you take to 3 friends who have financially savvy entrepreneurial, you trust them, they're honest, they're objectives. How to find those people to be honest? If someone has got real ego, right. Let's say you have those 3 people, and they all shoot your idea down, and maybe they've got some good arguments but in the day you've still got this fire, this passion, what you do then?

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Walter: Go ahead.

Lawrence: Right.

Walter: That was also what I did. Nobody believed that you could train once a week 20 minutes. They all thought that I was crazy. Now, you see much more short time trainings. But when I started 2005, it wasn't done so people still are very skeptical. And then I think that's a good thing because if people don't believe what you're doing, all you can choose is to challenge them. You don't believe me? Just workout with me one time and experience it for yourself. That proved to work.

Whatever it is someone may have, if you got resistance from people around you to what's your idea, do try it out. But then pilot it in a way that it's not going to bankrupt you if it proves that the savvy ones we're right. Try to make it this small pilot. Like in my case, I started out in a cheap outfit where I could test what I was doing. I got feedback from members, and that I could see are they really benefiting. It's greater if you have great plan but you need to see it work in other people than yourself, so you get some feedback. And you can use that feedback to improve your business more. I'm a careful entrepreneur. I know there is an American way to start , you know. I know there's the American way to start a business which is you first raise say \$4–5 million and then you get started. You can spend \$5–10 million dollars. Anyone can spend that. That's not difficult. But what's not guaranteed is that after spending that kind of money, you've got a business. I come

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from Calvinistic Holland, and we know how to make something of nothing because we're very careful with spending money. The Dutch have a bad reputation for that.

Lawrence: Really?

Walter: The sanity check in that is at least you try things out in a small way, and if it works, then make it a bit bigger step at a time. But it depends what kind of person you are. I mean, I wouldn't sleep if I would borrow €2 million, and I wasn't sure when it's going to work, and I wouldn't sleep at night.

Lawrence: Yeah, it's a great point. Okay, so it's listening to the feedback you get, reflecting on that using as an opportunity to challenge your idea because you'll actually strengthen your idea if you're able to consider the criticisms, how you would actually overcome those. You'll learn a lot through the process, and then you can reflect on it, and decide on how you're going to start. And if it becomes clear to you that actually you might be taking big risk and like you say, invest less, start some kind of pilot, prove the concept, get a couple of customers, see if there's buy in and go from there. I guess with high intensity training, we know broadly that it works fantastically well but it's just binding at your particular flavor of it is going to resonate as well I suppose.

Walter: Yes.

Lawrence: Great. Okay, go ahead.

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Walter: And one of the things I know from the beginning is because you're so gang hole about your idea, is that any kind of critical question you feel a little bit like of a down. You feel like a negative. But you have the choice to use criticism constructively. There may be a point within the criticism that is worth considerate. That is something I would say to anyone considering to start a business. I mean, I got an advisory council when I got an investor onboard. And he start to ask me critical questions, and then I felt to so many change. I thought you came in as my friend, and now you're asking me all these hostile questions. But they weren't hostile questions. They were questions for someone who look at the business without emotion. But actually, that makes the business better so I would say don't be afraid of criticism because if you use it, you only get better.

Lawrence: It's such a powerful point. That's another one of those ones that maybe it's useful to know the beginning. If you're someone who can't take a lot of criticism or negativity, don't be an entrepreneur because you're going to get a ton of it. And it's a good thing. It makes you stronger. You learn faster. I love it when someone gives me constructive criticism. I hate it when someone's not honest with me about when they experience a service of mine. They're not honest about that feedback or they don't tell me the problem, then I can't learn from it. So that's another tray. I think you either have to have or be willing to cultivate. Alright, hungry for that.

Once you presented to the three friends, you've got the feedback, again, green lights, right? You're going to move forward. What's next from there?

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Walter: Focus. That will be really my next point. You've got your spreadsheets, you've got your investment, and you're out of the starting blocks and you start going. One of things that I found that really worthwhile for me is to focus on your milestones. What do you want to achieve say in the first year in terms of how many members, what kind of revenue? And then you have to breakdown year into the quarters and break it down to quarterly targets and each and every monthly. But if you don't do it in that kind of detail, you are not really targeted working towards the specific desired outcome or result, and that really helps.

One of things for instance which I find important in our studios is that a franchise on a work studio at first 100 members. And they get a milestone, recognition at hitting the 100th member. And then the next one is 150 members, and then 200 members. And because of having those milestones they have the month of shining that did really... I also know that at 100 members you lay the foundation to your business. Now, maybe it could with a smaller set of business that you would charge higher rates that you could be hitting that point of 30 members, or 40 members, or 60 members. The number is not so important, but what's important is that you have a clear focus on when you will hit your baseline. Where you know, okay, I have my dream, I'm building it but I've got my foundation in place. I exist.

That kind of moment is very important because it's so easy to get distracted. This is what's called the shiny stuff. You open up, and then someone approach you, how about selling some nutrition supplements, or how about doing also a part of the time in this space. We could also do this, or this, or this. And what happens is that

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your mind gets taken off what you're going to do and you now think you've got additional opportunities. But what you actually have additional distraction. I would recommend that you really stay laser focus then you've got your first milestone because that profit is the sanity test. It's very hard to not to get distracted particularly in this time of age. I mean, you open up on Facebook or LinkedIn, and you got all kinds of people who are linked with you. I see it on your side that you... what's called blogs. It drives you crazy. Everybody wants something from you. 1 in 10 is maybe useful. But it can wait until you up house your first milestone.

Lawrence: Yeah. This is great. It's funny that you mentioned that about my auto responder. I do get a lot of emails asking me people to pay to be on the blog or have links and it's just not aligned with my focus as you say and so I remove that decision entirely by saying I don't accept it. On that vein, and we'll get into this a little bit. I'm actually, I'm absolutely obsessed at the moment with [Cal Newport](#) who wrote [Deep Work](#) and he wrote a [Digital Minimalism](#). It's [Cal Newport](#), the author. He's actually kind of convinced me that there is... I think that social media for the vast majority of us is a negative. I think there's so much downside and so little turn on investment that I'm actually looking to remove myself from most of socials, and that's something I'll probably cover later in. I think that as an objective...

Walter: You're going to become anti-social, Lawrence?

Lawrence: Yeah. Well, I think. I'm actually becoming more social in a way, right? But that's something we can cover in a separate thing. I do think that it's very subjective, right. There's some businesses that probably do very well with certain social media

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platforms depending how they utilize. It's very personal thing to me. But anyway, enough about me. Okay, I love this. I'm really passionate about this topic of focus because I think it's so challenging in today's distracting world.

Walter: Yes.

Lawrence: And if you can do it, it's a super power. It's separates you from everyone else immediately. So you talk about there, have a 1-year plan, break it down into quarters or months, and then focus on 100 members and then go up from there.

Walter: Yes, or whatever number is relative.

Lawrence: Oh sorry. Yeah, whatever number means that you're going to hit the financial target depending on your price point. Absolutely. Yeah, because it could be significantly less now obviously.

Walter: Yeah, and then the next step... That's also good to know. It's also good to know when you're going to hire your first part timer. But this depends on whether you want to build your business beyond a one person's business, or whether you want at some point replace yourself entirely and become entrepreneur. You may start out as a say personal trainer if you know all the trainings. But that's another thing that you should reflect on at some point, how long do you want to keep doing that. We have to publish it that when you hit a hundred, you need to have your first part timer. Because otherwise, you just end up giving trainings and you're training

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people. If you only train people, it's not necessarily good for your entrepreneurial... You should limit your training hours to at some point saying max, 20 hours a week, so you've got 20 hours left for entrepreneurship.

You need to know when you can afford when you hit, in our case, 100 members. We know you can hire a part time personal trainer. You get some free slots again in your week which you can structure into different activities. And that's very important if you want to consistently grow after your first initial spur where it's all new and you work 60 hours a week and it's so exciting and fun that at some point you want to get out of that kind of way of working into something which is sustainable so you get more rhythm. And you begin to build a team. Now, this depends on the business you've choose but I'm a fan of building teams because a team is stronger than one-person business. It's also less liable for failure. I would suggest calculate in your plan when you're going to hire your first part timer, when you hire your second part timer, and so on.

Lawrence: That's great. It makes complete sense. So then if that's the kind of strategy and the planning, sticking with focus; what are the activities, what is this owner to do in the beginning? First 3-6 months, what are they focus on?

Walter: Members. Getting members. That's it. And you do what it takes, walking down the street. If we have a physical location, so we want to be in high visibility spots. People don't spontaneously walk into your studio so you go out in the street, and you look what kind of shops are surrounding you, and you're going to see if you

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can do some nice joint promotion activities with, say, cloth shop, or the hairdresser, or exclusive liquor store, whatever. There are always opportunities right around the corner. You just have to go out for them.

In our case, we recommend, we will put a growth dashboard so that would be the point on what are the steps to bringing clients consistently. You need to make sure that you don't leave it to chances. I don't believe that success is coincidence. I think it's the result of hard work, execute consistently or for long period of time, and becoming smarter as you go along. We have a growth dashboard where all the marketing activities that you plan are budgeted. We also keep track on how many leads does a marketing campaign create. How many of those leads are converted into, in our case, free introductory training? How many of those introductory trainings converted into membership? You then compare with all the various activities which can be online and offline. Gradually, you can begin to do less but it will have more impact. But one of the things I still find difficult after all these years is we have in the Netherland 150 locations. But each location has unique characteristics. And what works in one location doesn't work in the other locations. That's you can little time more.

Lawrence: It's fascinating.

Walter: Yeah, you need to probe what works in your case. I have an example of one town, small town, we're getting into the local newspaper which is kind of editorial whether it's a combined three stories wrapped up in one. One of the member, an

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enthusiastic ambassador member, tells how many benefits he experienced. One from the personal trainer, and one from the owner. You get three stories rolled up and that gets in the local newspaper once a month. And that fills the studio entirely. He spent a ton of money on Facebook campaigns and all he got was crappy leads to people who walked after the first contract. They were not the right people that fitted. Now, this move onto this and this works for him. That we thought we crack it, so we're going to do this everywhere. Shit! Doesn't happen. Doesn't work everywhere. It's frustrating.

Lawrence: That's fascinating. It's about, like you say, trying relatively large number of things in the beginning and then 80/20 over time. Figure out what is the 20% that's producing the 80% of the output and then focus there. And like you say, what you've found is that differs significantly between locations as what they end up with.

Walter: That's right. If you're in the metropolitan area, large city, if you're in London it's really vastly different than in a little country town. That really makes huge differences in what will work, but still, you have to have growth dashboard. That's how we call it. So not just the marketing plan but you want to have a dashboard in which you're projecting growth. You must have your yearly plan and the quarterly plan clear with how many members you want to grow. If anyone asks you, "How many members do you want to have by the end of next month?" If you can't answer that, you're not busy as an entrepreneur. You're just not focused enough on your business. You should know that. And then you should also know what

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you've put to your growth dashboard – how to get there. And all that you may experience is that what you put in is not yet working. Well, that's fine because every failure brings you closer to something that will work.

Lawrence: This growth dashboard, do you have a propriety thing you use within [fit20](#) or can someone just build this in a spreadsheet?

Walter: Anybody could build it. We've build it over the time with all the kind of tools that worked for our business. I saw one of your mails recently about [Bring a Friend Week](#) that worked very well. It is simple things. I mean, this exists for years and it still works. We have a [unclear] month somewhere in July, when you have low season, holiday season. They can bring a skeptical person, so someone who really thinks [fit20](#) is low crap. Now, I love it when we get people who come who really thinks we're low crap because I personally want to try to kill them in their first workout. And then they suddenly experience muscle failure in a way they have never experienced in their entire life, and they think, "Holy shit! What is this?" They can be transformed into your biggest fans. So I like it when people come negative. I mean that could really give you something to do.

Lawrence: This is interesting. [Bring a Friend Week](#) is funny because [Discover Strength](#) have had enormous success with that. I've worked with some clients who've tested it and got relatively good success for them. I know there's one client in particular who was really struggling to get more than one or two clients per month and then they got 10 in a single week which is great for them, right. It's not the same as

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[Discover Strength](#). But [Discover Strength](#) at that time I record the podcast about it had 5 studios and hundreds of clients. It's completely different when you got that volume, right. But you're saying that that's a tactic that worked well for a lot of the [fit20](#) studios.

Walter: Oh yeah. And that's another one which worked really well at that month due to COVID is a number of studios have been closed for a couple of months. They've reopened. Now, some of the members have kept paying us from loyalty. And actually there's a number of trainings. But what we offered them is to be generous and actually offer a number of their missed trainings as a gift to some of them now. That's a slightly different idea that worked brilliantly.

Lawrence: I meant to say because we obviously got recording pretty quickly, but I meant to say to you, sorry about everything you've probably been through in the last year and a half. Well, about a year actually, must have been so challenging for you guys. I'm really, really pleased to see that you're still doing well and you've been able to get through it because obviously a lot of business in our sector didn't.

Walter: Yeah. That's the good thing when you have more people and have a team of course is that you become a little bit more antifragile. But it's been tough to us last year. Then the UK, we got an incredible interest at the moment. I think that's the upside. If you really hit rock bottom you can only go up from there onwards. I just opt to believe that we hit rock bottom.

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Lawrence: Yeah, no, good for you. Just going back to business development and marketing tactics for a moment. I understand what you said, it's like there is no hard and fast rule. There's no, "Look, if you do these three things you will fill up your studio in 3-6 months." But what would you say if, again, the person listening to this just getting started. They want to be focused. They can't do 10 tactics at the same time, so they want to do say 3. Which 3 you would test first?

Walter: Yes. Well, one thing which is really for free and most valuable of the long time is to really invest in your members. We get still, on average, 25-30% of our growth is from members bringing members. It's that kind of rate. Good studios can go up to 40%. That's purely on turning your members into ambassadors or into fans. I'm a firm believer in the [Net Promoter Score](#). You should really ask your members to sometimes give you a number, "Up to 10, how would you rate me?" Now, what the [Net Promoter Score](#) says even if people gave you an 8, 8/10. That means they are satisfied. But it doesn't necessarily mean that they will actively promote you. Members only actively promote you if they give you a 9/10 or 10/10. That's the thing about our line of business. We're in the people business. Whatever it hits [unclear] It's people. You need to get that 9/10 or 10/10 week after week and getting, therefore your, later on when you start working with your first part timers you should really be highly critical. Because if they don't get you a 9 or a 10 you won't grow through your members in that particular part-time so on the long term you suffer.

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But this is a slow route to success. But this is by far, I think for many HIT businesses, the most reliable source of growth is to really educate your members. One of the things for instance that I find important is that people understand what happens in their body when they do this type of training because people are completely ignorant. They don't understand their body. They don't understand training. They don't understand why they should do this week after week. We need to explain to them why brushing your teeth, doing your weekly training is vitally important and that you should do it for the rest of your life. You want to get that sink in to their brain that they need to do this for the rest of their life so you're not worried week after week whether they will for a longer contract with you.

I think that if a person stops doing our training we failed. We either failed explaining something to them or they may valid reasons. One third of why people stop training with us really down to us. Two third is because they got divorced, they got ill, they moved house. The kind of things that are outside of control. But one third is always under control. And this is where we really need to be critical upon ourselves and improve because if you get that one third leak fixed, closed, then your business grows long term. Apart from all the marketing initiatives which you must do, you must not forget your existing members. That's really the most important thing.

Lawrence: There's a lot of people who will be nodding their heads to this. This is something which I've talked about a lot on the [podcast](#) with people like [Luke](#), in the [Membership](#). There's lots of contents on how much of a referral business this is.

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All businesses obviously or successful businesses have a powerful referral mechanism happening there. But the thing is it's I think one of the problems we have in our space is it's not sexy to focus on how you're going to generate referrals. You just want to know, okay how can I generate x number of leads to come in for free workout through some kind of automated mechanism. And sure, you can do some of that stuff. But what I think happens quite often is when someone acquires a customer that kind of neglect them a little bit. They might say, "Well, look, they are coming in. They are getting trained. That's my job done." No, that's where it starts. Once you acquire that customer, if you want to be able to generate referrals from that person you need to pay attention to everything that goes into retention and like you're saying education is everything.

Walter: Yeah, education is the basis. I think that's something that we should be doing. What I know from my own experience because I understand why I should train to muscle failure I can put up with the discomfort easier, more prepare to suffer, because I know it's really for the good. But you called it to neglect, but I think in many, many cases it's simply a lack of skill and mostly because of fear to ask the question, "Is there anyone I could invite on your behalf to experience this training?" You actually have to ask. That's the thing that people just don't do. People don't ask because they are afraid to get no. But if you don't ask the question, you already have the no, which is you're not going through that member. So what can happen?

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You need to make sure that you develop the courage to ask the question and if the person says no it may also simply mean, it's no at the moment. You can ask the same question in a month's time again because they may have been at a birthday party, or business network, or talk to a colleague, and in a month from now they may actually think of someone. Don't be dispirited when they say no. It means no at this moment. You should... this has to do with sales. Every salesperson knows you get 9x no and the 10th time is yes, but you'll never know when the 10th time comes. Every no gets you closer to the yes. And that's the kind of skills that not every entrepreneur has. If you don't have it, you grow slower.

Lawrence: Well said. I completely agree. Being proactive asking for referrals as opposed to expecting it from all the great stuff. You're doing one or do both. Why not do all the great stuff, the education, all the retention stuff which by the way for people watching this if you go to How to Retain Clients in the [Membership](#) there's some great information there. There's some great information there. There's great trainings from [Luke](#) on how they do it at [Discover Strength](#). But there's also some content in personal training in the [Membership](#) by [David Gschneidner](#) who is VP of Operations for [Discover Strength](#) where they go through their entire personal trainer process, like workout process - all the communication element, what their focuses are during the workout. They are teaching focus the education, everything, which is all about retaining that client and generating referrals. I will list that in the resources to this. It just plugs in perfectly to what you're saying.

Walter, I thought you've got something you wanted to say there or you're alright?

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Walter: I think what you're saying which was a good way is you have to make it's a proven process. Asking the question needs to be something that is tick off the box and not leave it to coincidence whether you will or won't ask. It should be asked.

Lawrence Right, yes, so build it into your system. Build it into your SOP so that it's asked during every single workout.

Final five minutes here, Walter. I'm really pleased that you did focus on retention, and that's amazing that you can attribute 25-30% of the long term growth and sometimes even as high as 40 from referrals, which I think anyone who is in this business is in it for the long term and has to be absolutely aware of that and prepared to put in the work to generate that. Obviously it makes this business far more enjoyable over the long term if you're going to attract new clients without having to do lots of marketing activity and obviously more profitable as well.

Walter: That's right. There's just one thing that I would want to add to this because for a long time being myself and in studio wanting to grow the business. You forget in your own busyness to put yourself in the shoes of your member, of your client. But that's always a good thing to try to do so I try to understand what does the world of my member. What it is like? Well, they are all busy people and they already have many things on their minds – their job, their career, their home life, their kids, whatever. There is simply no mind space unless they are giving you a 9 or a 10 to

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think along how you could succeed more. They may not be even aware that you're looking to grow.

I mean, many people think if they look at us that we are just successful. Well, there is not a single true entrepreneur that views himself as successful because you know all the things that have gone wrong. What I'm saying is that you must not make assumptions about your members or clients that if they don't actively promote you it's because they don't want to. They are just busy.

Lawrence: Brilliant. Just to round this one off then, I completely understand what you're saying and I think that it's really important that every entrepreneur focuses on those things. But I know that they would be disappointed, Walter, if we didn't have three tactics that you would recommend they start with. How many? I mean, maybe it's less than three. It's two or one. But what would you suggest that, obviously if someone is just starting they have no clients, right? What would be your, I mean, you mentioned joint promotions of local businesses where I guess you promote their service to people you come across and vice versa. Maybe you can share flyers or something like that. I don't know how exactly you would do that. But do you want to just elaborate on that and other tactics you would recommend?

Walter: Well, the cheap way is the flyering in the expense of neighbors where your typical clientele is. You should know who are your clients, where do they live, where did they go to. That's obviously where you've got to be. Some of these things you can

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do for free. We use to go out at lunch time at the places where people would pop out of their offices and give an apple and a voucher to try it out the training. Now, because it was lunch time they want to eat the apple and they would then look at the voucher.

You need to do something which actually they always cost a little bit of money, but not a lot, to do things that are out of the ordinary that sort of take people out of their day. For a moment they see you and then you have the chance. You also have to really be spontaneous. Now this is the great thing about mobiles, you can put appointments straight into your mobile. So you've got them. They've got the apple. They have the voucher say, "Oh, this is cool. I'd like to do this." "Okay, let's do that. Let's schedule right away." And that's what I've always done. Always do it immediately.

On the street, I think you can convert literally people into clients. It's as simple as that. But again that's daring to do that. You have to go out on the street and 9th time after then they are going to think you are a lunatic, but the 10th person will sign up.

Lawrence: What about a simple act of contacting everyone you know and inviting them in for a free workout?

Walter: Absolutely.

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Lawrence: Yeah. I don't know why people would seem to neglect that one because that one is like a no brainer.

Walter: It's too obvious.

Lawrence: Yeah, right, right. I guess it's a bit of fear around again selling to friends and family perhaps.

Walter: Yes. This is the same as with investment. You start with fools, friends, and family. This is the same with your first members. Indeed, what you're saying is absolutely true. I ruined all my friends with giving them workouts before I was any good.

Lawrence: Okay, great. I mean, I love this. So going on the street literally coming out with some kind of quirky idea. I guess one of the key things you said that was actually really important is understanding your target market – who they are, demographic, their age, psychographics, what they care about, what they are interested in. And then understanding where they are located in your area. Obviously you probably want to add thought by this before you invest in our studio location making sure that the ideal target market is probably within a 10-minute drive or what have you. And then finding some hotspots around there where you can actually go out and do these kinds of tactics and then come out with some way. I love the idea of giving them an apple or giving them something that's going to have them stop in their tracks. Something free that's completely they are not going to pay for. It's right there and they can actually pause and consume the information that you're giving

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them and actually make a decision. Like you say get them there and then and have them scheduled.

Walter: Yeah, that's right.

Lawrence: Yeah, perfect. Awesome. Walter, have you got any other parting thoughts? I'm just aware of the time. Just anything else you want to share before we wrap up.

Walter: Well, if it is possible people should use still things like press releases, columns in newspapers for this may vary very much from location to location. And sponsoring for instance golf clubs so we'll do those because our typical clientele is a golfer and they are in the mid-50s and they've got to work. They are potential in the [unclear]. In the Netherlands as an example you've got 375,000 play golf who got a membership. That's a lot of people, and they are all located on 200 golf clubs. You can look to the Eastern Golf Club nearby or if there is no golf club nearby visit a hockey club or a tennis club.

You have to really think where opportunities are where you find people your sort of adjacent market and how can you... The winning team, how can you give them all a treat experiencing your studio. The only limitation is the creativity of your brain.

Lawrence: Well, great note to end on. What is the best way for people to find out about if they are interested in a [fit20](#) franchise opportunity? Obviously you guys have

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opportunities globally now. Where can people go to find out more about that opportunity?

Walter: Okay. Well, the easy place is [fit20.com](https://www.fit20.com). And then they can zoom into the 10 countries where they are active and then you come into the country – Europe, and then you can see the franchise opportunity per country. If you want to start a country and you can still see it on [fit20.com](https://www.fit20.com) whether the country is still through.

Lawrence: Great stuff. Walter, I'm so thankful for you taking the time. Thanks for being so generous of all your ideas. Some of this is absolute gold dust and really appreciate it. You've made me think about in the future doing like seminal content focused on something really niche like golf press release campaign. Now, I know like we are saying with the marketing and the 80/20, it's not going to work for everyone. But if I can produce enough of this then there will be at least a selection that people can try and they will find something that works and it will be step by step. You've given me some inspiration to do that which I think I'll probably do in the future so I appreciate that.

Walter: Great, Lawrence.

Lawrence: Alright. Well, have a great day and I'll talk to you soon.

Walter: Yes. Thank you, Lawrence.



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Lawrence: Cheers. Bye.