

August 2022 – Blair Wilson – How to Optimize Your Service Packaging (Part 2)

Lawrence: Welcome everyone! This is Part 2 [Membership](#) content for August 2022. I can't even remember what the original title is. I think it's How to Optimize Your Pricing and Packaging with Blair Wilson or something like that. But what we quickly realized is that these are more exploratory conversations where you're trying to figure stuff out. I think through that exploration and this conversation there's so many things that people didn't glean from what you're doing in terms of pricing, packaging, scheduling, terms and conditions, how you manage sessions, rolled sessions and cancellations, all these stuff, which frankly I'm trying to figure out. I know a lot of members are open and interested in ways that can make that stuff more efficient and more effective.

I'm excited to get into Part 2. Just to set this one up, just to let the members understand, [Blair](#) and [MedX Precision Fitness](#) have recently hired some consultants to help them. Well, you can explain what you hired the consultants for and how is that going so far?

Blair: Yeah, so far so good. It hasn't been that long but just like everybody else probably in this space we could have a secondary career of questioning all our decisions and trying to figure out what's best. We brought these consultants on to optimize and systematize some email marketing backend automation type things. We are having some trouble with it. I was really getting to the point where it was taking a lot of time and not as effective as

August 2022 – Blair Wilson – How to Optimize Your Service Packaging (Part 2)

it should be. I got referred to these people, checked them out, they are amazing.

One of the things that they are tossing in for us in the package so generously that we are paying for it is a full review of membership options and things like that. This is a cool timing because last week when we spoke, the last time we spoke, they hadn't kicked this off and now we are a weekend to them analyzing it. I don't have a ton of feedback from them yet but they have been into the backend of our scheduling system with all of our reporting, and checking out, and pulling reports and data. They are going to get a really good overview of the last 12 years of data. They are going to give us some good recommendations for it. It's going to be cool to see what they come up with.

I think we talked a little bit last time about how they immediately were questioning and wondering whether or not we should have packages of individual sessions as well as membership, which all of us I think have been pretty focused on recurring revenue for a while. That was an interesting one because I'm not immediately good at thinking that I should listen to people.

Lawrence: I've got the same problem.

August 2022 – Blair Wilson – How to Optimize Your Service Packaging (Part 2)

Blair: I went into the conversation sitting on my hands thinking listen, let them listen, be open minded. The way they explained it was cool. I'm looking forward to next week when I get some info from them.

Lawrence: Hang on. Were they suggesting that you should do packages as well as memberships? Am I right?

Blair: They suddenly thought at first glance that it might be beneficial for us to have a big package of sessions for specific people. I don't think they are wrong to be honest with you. We get people that ask about it all the time and we just direct them towards memberships. But, is that bad of an idea? Like I understand, the recurring revenue benefits are huge. But if you're losing people because they want to buy 20 sessions from you, is that smart? I don't know. I don't think so. It's money. So it's going to be cool to hear what they say from an impartial view. I told them straight up. I said, I have feelings but it's hard to hurt them so be really, really thorough with your criticisms because I'm a personal trainer that happens to own a business. It's not my bread and butter to run the systems and optimize all these kinds of stuff so that's why I'm talking to you.

Lawrence: Yeah, I love it. I'm going to ask you a question. I'm going to open some windows because it's suddenly got so hot here which is weird for Galway but it's the way this attic is insulated.

August 2022 – Blair Wilson – How to Optimize Your Service Packaging (Part 2)

Blair: I'm making you nervous.

Lawrence: That's it. You're making me nervous. That's probably true as well.

Blair: No. I know you said it obviously as early on in this process. Have you got anything you can share with us beyond what you just said? Any learnings that come to mind? I think you mentioned in the text that... I don't know whether I interpreted this right that your current model, the Unlimited membership, which we discussed in Part 1. If members want much more detail on that then please listen to the first part which I'll link to. But you mentioned that they seem to like that. They assume that you are doing that well. Is that correct or is that being [unclear] I'm just going to do these windows whilst you respond to that.

Blair: Yeah, no problem. They referred to our language around the options as internal which was interesting but also enlightening and eye opening and points to the fact that I do sort of write the way that I speak or attempt to anyway. I'm not a natural born writer so I tend to just put words on a page and use grammar that sort of mimics the way that I try to explain things. I think the result of that sometimes is I ate too many words which you can probably appreciate having with me many times. And not all the time the best client facing stuff.

August 2022 – Blair Wilson – How to Optimize Your Service Packaging (Part 2)

They weren't upset by the words with the Essential and the Unlimited. They were a little bit confused by why I chose those options and a lot of explanation that's required. They said it could probably be simpler and that's what they ran into all the time. They take a look at it and come back for suggestions. Just because these people are suggesting doesn't mean you have to pick them up and do them just like any else. But I think setting aside the fact that we are paying them for their advice, it's really important to listen to these suggestions with an open mind. Because if you show up thinking you know everything you are going to be screwed.

Lawrence: This is such a good point. That's one of the downsides of being in [HIT Business Membership](#) or only having your peers as your sound board. We have WhatsApp chats. We look at your membership options and we're like, yeah, that totally makes sense. Of course a customer is going to understand that. But we are biased and we have insider knowledge and we understand all these terms mean. To be honest with you I didn't even think about that when reading that stuff. It makes me think of concepts like [StoryBrand](#) which is all about designing a website around making the customer the hero over the story, making the language, imagery, structure, everything speak to the customer. Not even talk about yourself. At least not in a "We're so great", "Here's the history of our company" using insider languages. Using language that really resonates and why would that be different with the services. It wouldn't. It's the same principle. So that totally makes sense.

August 2022 – Blair Wilson – How to Optimize Your Service Packaging (Part 2)

Blair: And if you're storybranding your website for example, and you're storybranding your social media content, there is absolutely no reason that you can't storyboard your membership options. And you probably should. And I would argue that it's probably more important than storybranding your website. It makes sense for branding and all that kind of stuff. But if your package options have you as the hero and the hero gets to pick the storyline, that's pretty cool. I'm saying this and I don't do it.

Lawrence: You're realizing there.

Blair: Hopefully that will change soon. It's going to be neat to see what they say because they are not HIT people. They are consultants with specialties in the fitness wellness industry as a whole. They were cool in the sense that they have come to the table looking at the website and they have questions they get. Their niche isn't car tires and they are trying to branch the industry. They know what they are doing. And then they will check KPIs and get all that info. I think we're realistically going to get some pretty significant changes.

Lawrence: Are you at a point where you would recommend these consultants to others? Or do you want more time before you start saying who they are and things like that?

August 2022 – Blair Wilson – How to Optimize Your Service Packaging (Part 2)

Blair: More time for sure because I know that's the appropriate answer. But I'm pretty excited so I would say have a consultation sort of thing. I mean, I get excited about things. Probably a little time.

Lawrence: I'm just saying. I read one thing and I think I found the reason. What's the saying – the meaning of life? And then a week later I'm on to the next. No, I think we should wait. You're right. You need to spend more time and maybe in a few months if it makes sense we can then share that with the members.

Okay. Let me see here. We just had some questions, more specific questions, about memberships and things. We just like your views on this as it stands currently. One of the things... and maybe this is a completely stupid question. But one of the things you say is that all your membership charges on the 1st and 15th of every month. Is that right?

Blair: No. Just the 1st.

Lawrence: Just the 1st. Okay.

Blair: Just the 1st of the month. I like predictability and order. I find that knowing the plan is relaxing. People start on whatever day but everybody for at least their 2nd payment onwards is going to be on the 1st of the month. So you might get Lawrence on the 12th so that's fine. There is a prorated rate and prorated sessions and all that kind of stuff depending on what you sign up

August 2022 – Blair Wilson – How to Optimize Your Service Packaging (Part 2)

for. But I do it all on the same day. I think there is probably a point in time where there is an infliction/tipping point with your expenses, cash flow, profitability where that becomes a little bit less important.

Lawrence: Almost arbitrary at that point, right?

Blair: Yeah. And then you can be a little bit more flexible. I also find it easier to have conversations. We've never once had somebody say, "Well, mine actually come on the 12th." Nobody says [unclear]

Lawrence: You never had pushback on that?

Blair: Never. Not even remotely. This is what happens. This is what we do.

Lawrence: That's quite a statement. You've been operating for 12 years and you never had pushback on billing on the 1st and prorating it the first payment obviously.

Blair: No. We don't really make it an option in the conversation. We are upfront about conversation right from the get go, "This is how our membership works. Just box and give us your credit card. It's very easy to stop the payment. We don't want you to but we make it so you don't feel trapped. We've been doing recurring revenue for 4-5 years now. We are packages up

August 2022 – Blair Wilson – How to Optimize Your Service Packaging (Part 2)

before them. Oh maybe 6. Holy smoke time flies. I can honestly say we've never had anybody complain about that.

Lawrence: We haven't done that. When someone signs up we are literally initiating billing immediately assuming that's when they want to start. And then, it is just recurring from that day. So it means that it's all random throughout the month. Now, I could see how that could be a problem with cash flow if that were a problem. Now, we are in a somewhat fortunate position around that in terms of my business partner and his financial situation. Whereas, I think when you were starting out I got that I guess you would want that predictability in order to cover bills so when they come out. You've got rents, software, and wages all coming out. You want to make sure you've got obviously enough cash to cover that. Is that the basic idea here? That's the only reason you're billing it, you are charging on that date aside from predictability?

Blair: Yeah. So the only thing that isn't static or consistent is our pay for trainers, right? That fluctuates based on the volume that they do. All of our software I have set up to be paid for on the 5th of every month. All of our other things are either on the 13th or the 15th and then our pay days are the 10th and the 25th. So I like to know what the heck is going on. We get paid... everything happens on the 1st. It gets deposited into our account within 36 hours. And on the 3rd, I immediately take 13% of that revenue which is [unclear]

August 2022 – Blair Wilson – How to Optimize Your Service Packaging (Part 2)

remittance and I put it into a separate bank account. So that money for remittance for that quarter is always just aside and ready to go.

Lawrence: Remittance of the quarter. What is that? I'm totally ignorant and naïve.

Blair: We have a flow through of tax like a sales tax. We charge you. Our price might be \$310 and then it is plus tax. So that plus tax instead of just sitting in my bank account and pretending like it is money that I have, I set it aside immediately. I like all of that to come in as close together as the same time as possible so that it can be transferred into a separate account which just hangs out and then I have to remit once a quarter to the government because they get ruined if you don't do it. And then I have to reconcile at the end of every quarter because those people would start on the 10th, 12th, not the 1st. But it is so much easier knowing that if you bring in 30 grand a month that 13% is already right there. You don't have to try and go back and move it around. I find it a little bit less stressful.

Lawrence: It completely makes sense. In fact, putting aside the taxes is another really good reason why it makes sense to have it at the 1st of the month so that you can automate that and do that. You're doing it multiple times aren't you potentially or you have to do it at the end of the month? I suppose you could do it. So if you didn't do it on the 3rd of the month you could do it on the 30th or the 31st or whatever.

August 2022 – Blair Wilson – How to Optimize Your Service Packaging (Part 2)

Blair: Yeah, you can once a quarter. Doesn't really matter when you do it. I just found the 2nd... When I owe people money it stresses me like crazy. Knowing that it's right there, it's already dealt with. It comes in. It gets moved over to the left and that. Left is only allowed to have one transaction a month so I can go back and forth and dip if I need it, it's there. Since it's there it gets paid out. And then the rest of the account is for operating expenses like everything else that runs, you've got your bills, you've got to keep your lights on, you've got your phone, your internet, your softwares, and your staff.

Lawrence: And then a huge chunk of coffee at the end.

Blair: Yeah, I know. You just go and buy cheesecake with that.

Lawrence: When it comes to managing finances have you always been in that role or have you got a team member that does that?

Blair: No. And I should never be responsible for that role. Actually, we have an accountant that we paid monthly. They do our books and all that kind of stuff too. I'm a big, big believer in knowing your strengths and cast your weaknesses along. There are certainly some things that you should try to improve, sharpen your sword. But that doesn't always mean sharpen your sword to a point where you are the one doing the cutting. You could also be just learning how to hold the handle. We have a really good accountant who takes really good care.

August 2022 – Blair Wilson – How to Optimize Your Service Packaging (Part 2)

Also, to circle back and talk and relate to the consultants. He knows that he doesn't have to tell me things with kid's gloves which I think is important to be honest with you. When we beat around the bush sometimes messaging can get lost. That doesn't mean you have to be mean. But if you want to tell me something, tell me that thing. Tell me the thing.

Lawrence: It's more productive.

Blair: We haven't always had them. Maybe 8 years or something. But automating all that kind of stuff is huge too. We spend something, and the receipt comes through it. I take a picture of it in an app, [unclear] and everything is cataloged. That's good.

Lawrence: Awesome. Good stuff. It's a challenge I have which I know you've kind of resolved in your new membership structure which you could just probably remind the members a bit about. As you know we are doing the 4x, 6x, 8x a month model. We are just talking about studios so 4x once a week, 6x about 1.5x a week sessions, and 8x twice a week. We are starting to go through that phase where there is an upsell opportunity. Clients want to increase frequency. Before I've had the issue where clients have accumulated so many rolled sessions that we've had to reduce frequency. There is a bigger conversation about that obviously. We talked about that a little bit in Part 1 about how you can make some of that. But now we are looking at... That challenge is that I can see this being an adhoc flex up and down scenario,

August 2022 – Blair Wilson – How to Optimize Your Service Packaging (Part 2)

right? Which is fine because I want the client to have the right frequency fit for them. And that can wax and wane with their schedule throughout the year – travel, work, and then maybe how they are feeling energy-wise. That kind of thing.

I'm in a position where we're still quite early on. I don't want to have to try and figure everything out. I just want to act and make mistakes. Because frankly I just don't have the time or energy to really think that far down the line sometimes. Maybe that bites me. I don't know. What's your take on that? I'm curious have you experienced that where you've had many, many clients constantly fluctuating up and down frequencies? And how to manage that? I mean, prorating. In [MINDBODY](#) for example... Have you used [MINDBODY](#) before haven't you?

Blair: I've used it as a client not as an owner.

Lawrence: Okay. I mean, in [MINDBODY](#) if you have contracts which you kind of have to have for the monthly recurring situation so you have month to month contracts. You basically have to terminate the contracts, create a new contract for the new frequency, and then prorate that. It's not a massive challenge to do. But I could imagine doing it at scale. It's a real pain in the ass.

Blair: Yeah, administrative work, right?

August 2022 – Blair Wilson – How to Optimize Your Service Packaging (Part 2)

Lawrence: What do you think about that and how have you mitigated that in you and your solution?

Blair: It's a really good question. We did the 4, 6, and 8 as well. We switched from that to what we call the Essential and the Unlimited. I'll talk about it a little bit. The Unlimited pricing structure is based on 8x a month. We are considering adding a middle option because we're burning people that are only going in 6. That doesn't really sit with me. I'm pretty cool if somebody makes it 9x one month because I know down the line it's going to level out. We have a couple of super users. But then we have users at the other end of the spectrum that might work to .97x a week rather than the one that they are supposed to and they don't save through. There's a little bit of an ethical thing that I imposed on myself where I want people to get what they are paying for. But at the same time it's interesting.

I had a conversation with somebody the other day who is way smarter than me which isn't difficult, and way more successful from a business perspective. They were talking about somebody that they were mentoring who is just starting out. This guy in particular was an HVAC technician. He is very, very good. He is incredibly good at sales. He is incredibly efficient with his time. But he is out on his own and he is [unclear] but he is not taking deposits. He is getting these contracts and jobs. They might be \$10,000 but he is not taking a deposit to start the work. And his mentor was saying it was insane like he should be taking a deposit. His reason for not doing it

August 2022 – Blair Wilson – How to Optimize Your Service Packaging (Part 2)

was he thinks that it's a competitive edge of which there are probably some arguments for. But the argument against where thrown back in his face productively and in the end the conversation ended with him saying, "You're right. I should be taking deposits."

To bring that into the HIT gym owner perspective, we want to be really, really, understanding and good. We want people to get their money's worth that they've signed up for 8 but they are only getting 6. And we want to make it easy for them to go back and forth and all that kind of stuff. But we also need to be a little bit more of a cheerleader when it comes to the decisions that they've made that we've helped them choose that align with their goals. There is a fine balance between not necessarily upselling to get somebody from 6 to 8. But if you've got somebody that's consistently making 5 out of 6 should we be telling them to go into 4? Yeah, because we're really good humans and that's what we want to do. But it should also be sitting down and being like, "Hey, you are paying me to get you to this goal." You are paying money to get this thing, get the damn thing.

Lawrence: I love that.

Blair: Let's go. Get the damn thing. Now, it's a little bit different with 1-on-1 sessions. If you only have so many 6am options and that person typically wants 6 o'clock or they can only make it at 6 o'clock, they don't have anything to give up, that's one thing. But if you're somebody like myself who has 6

August 2022 – Blair Wilson – How to Optimize Your Service Packaging (Part 2)

trainer options there is also a little bit of [unclear] I think on us to get that person to realize that just because they can't train with Lawrence, Blair is a good option so get in with Blair for your 6. Don't just not come in. I wake up some days and I have so much compassion for these people who have a very difficult life outside of the gym and they consistently make it 4.8x but they try for six. But then I also have this part of me that wakes up some days and I'm like, "No fucking way. Get in. What do you mean? Get in here." Here let me [unclear] this person is amazing. Here are all of our notes. They know what your goals are. They know how to train you. They could look back like let's go, let's go.

Is it an enable that we should be going to go backwards and down regulate a package or is it enable to get in. I don't know the answer to that shockingly. But my mindset right now is more so towards enabling them to get what they paid for while also optimizing my membership option so that those options are easier for them to choose. I don't mean I should have 15 different options. But again I still do think we are selling by only having 2. That will change. I just don't know what the change is going to look like. I didn't really answer your question.

Lawrence: You did.

Blair: Okay.

August 2022 – Blair Wilson – How to Optimize Your Service Packaging (Part 2)

Lawrence: You did in part. I was just going to say I'm excited to obviously hear how things change and what you learn when you start to implement. Well, you did in part. You get me a really good mindset for maybe pushing people to use what they paid for which I think is fine. Just to tap on to that. I know you're not a big fan but virtual is a great way to do that. I mean, look, all our clients are busy professionals. They've got kids. I mean, I'm generalizing here. They've got very demanding high income, busy jobs or businesses. I am probably not one of these people. Well, I am to a degree. I'm like, "Yeah, I can't find time to [unclear]." Excuse the example. I'm really time starved so I totally can improvise.

Anyway, so virtual. I understand there's people in the [Membership](#) who are apprehensive. They don't necessarily believe in the value. I think that's incorrect. I think that, yes, [MedX](#), [Nautilus](#), these are wonderful tools. But you can deliver an incredible workout virtually with just bodyweight or basic tools. I myself workout from home probably once a week on average with a chin up bar and dumbbells [unclear] It's hard for me to get to the studio twice a week because studio... Well, I know this isn't far for you guys. But to drive 10 miles across a busy city for me is... I don't know. I'm digressing. So virtual is great. So when you talk to that client and they want to get 6 in and getting 4.8 or whatever, that's a great way to justify or help them achieve that, right? We find it in Galway which is specific to our location. Maybe others share this problem, as the road infrastructure is bad. The traffic is awful and it can be very hard to get to our studio especially during peak hours. People are

August 2022 – Blair Wilson – How to Optimize Your Service Packaging (Part 2)

going to spend a lot of time in traffic. I think we personally have to have a virtual option in order to help people train to a higher frequency and maximize revenue as well. Yeah, I think that's something if people aren't doing that. They should consider it.

Are you still doing virtuals in your business? I know you were during the pandemic and during lockdowns and stuff.

Blair: Yeah. We were 100% virtual for a period of time there. And then we were 60/40 in person and virtual. We had a weird relationship with virtual because we understand the merits of it. I'm probably the biggest hurdle for [medx](#) to get over when it comes to having a thriving virtual business. During the pandemic I was pretty apathetic towards my guys. They were doing it in the sense of like I know you guys love these machines, you love the environment, you love coming in, you love training yourself, you love training clients on this stuff but we got to do this. I constantly was told like, "No, we're good. We are having a good time." People are buying equipment. Business is okay. I thought at that time they were probably just saying that to make me happy because they could see me pulling my hair.

But we probably do 10% of your revenue as virtual right now. That's a mix between people that were with us for 8 years before the pandemic. Pivoted to virtual and then stayed virtual, and some people that go on vacation and take us with them while they are away. We don't advertise it like crazy. It's

August 2022 – Blair Wilson – How to Optimize Your Service Packaging (Part 2)

not on our website anymore. It's more of a you're a keener, you don't miss very much and you're going away for two weeks at your cottage. Let's do a couple at the cottage. Let's do a couple on this business trip. But this is fresh information for me. There is an enormous amount of infrastructure being built in Toronto right now. A huge disruption is on its way for the downtown. They are building a new subway, Lawrence. The four streets above us are going to get a lateral all the way underneath the street subway that has major intersections on that 2-kilometer long run being closed for 10 years.

Lawrence: Wow.

Blair: I have a feeling that it would be smart for us to stay ahead of that and start sharpening the virtual sword. Maybe I'm being weird about it but the traffic is going to get a little bit of a nightmare. The virtual could definitely help with that. Question for you. Are you like 1 to 1 dollar for your virtual versus in-person?

Lawrence: Yeah, we charge the same. We're quite expensive. More expensive. We are €60 per session – 30 minutes. The average personal trainer session in Ireland, and that's mostly Dublin which is much more expensive and has a high cost of living, is €50. We are €10 more than that, we are 30 minutes. We know we are giving them time back. Yeah, we found that clients value it the same.

August 2022 – Blair Wilson – How to Optimize Your Service Packaging (Part 2)

Blair: Yeah, that's great.

Lawrence: If people listen to this, watch this, thinking that the value, they are going to value it less. It's just in your head. Because as long as the sessions are delivered in a word-class way, the coaching is tight, the cueing, the true specific positive feedback, all that stuff, and obviously the trainer has great expertise and great programming, and great rapport building, and all that. That's all assumed. I think we got quite lucky. I started a virtual training business before I was actually doing personal training because I started it during the pandemic. Our trainer has been doing it during the pandemic too so when he came to work with us he already had a skillset in virtual. And so we already had strength there. We just really rolled out the same [unclear] rolled out studio workouts.

Now, look, we both encourage clients. We only have a couple who trained virtually locally who don't come to the studio. One in particular has a back pain and so I want her to come to the studio to use the lumbar extension because you can't substitute for that. Not very easy unless they've got a roman chair. You can do things like prone trunk extension. But it is not quite the same. And that seems to work quite well and people love it, Blair. Obviously, it broadens the net, right? It means you can train people who aren't local. And they've seen nothing like this, like, "Hang on, I'm having one person completely paying attention to me." Or I have to [unclear] I can do this from anywhere. I can stay at home. I can do it from my workplace. I don't

August 2022 – Blair Wilson – How to Optimize Your Service Packaging (Part 2)

even necessarily need equipment. I still think there is a massively untapped market.

Blair: I don't think you're wrong. You said you guys had a skillset when you came into it. I was the total opposite of that. I've spent 16 years attempting to perfect from my definition my skill set of handling people in-person on machines. And then all of a sudden I was forced to do this virtual thing and I was not ready for it.

Lawrence: Had it been a long time since you coach the pushup and stuff like that. You haven't relearn how to coach certain exercises because you got used to the machines or not so?

Blair: I think by virtue of wanting to have strong opinions we dug in to make sure we were doing the right thing. That's where it breeds learning opportunities. Maybe not a push up. Any opportunity to dig my teeth into something new is exciting for me. I probably overwhelmed myself trying to optimize it from...

Lawrence: Honestly. I think you and your team would be way stronger from an exercise knowledge background and personal training than we would be.

Blair: I mean, you guys are great. [unclear] And people love it. The success wasn't the thing that pissed me off. Once we got rolling I was okay with it. We didn't have a physical location. We never rent or anything. We could drop that price

August 2022 – Blair Wilson – How to Optimize Your Service Packaging (Part 2)

which is bad because trying it back up on par with in-person was a slow process because we cut it a little bit too far because we wanted people to do it. You don't know what the heck was going on. Nobody did. We didn't know how long we were going to be closed. We knew this was just a bridge for a couple of months so let's just send it. We went down too far. We got it back up close by the end but it never came to par.

Lawrence: What do you mean? In terms of price?

Blair: Yeah, we never got up to 1 to 1. We were probably 50% off when we started. To be honest I'd have to look. I don't remember. But then going from if we charge \$50 hypothetically for an in-person. We are cutting it to \$25 for a virtual. Going from \$25 to \$50 overnight is not something you can do. It's not a thing that [unclear] consumer confidence.

Lawrence: I think the problem with going into that price point is you devalue it immediately. They already were skeptical. They already thought and then it's this much, that means it is definitely not very good. I'm not going to do it. I mean, that's the problem with that, right? I will just say a couple of things and we'll move on. Actually, just one thing really. Is that whilst we are getting all excited about virtual I do come across quite a lot of people who are... I had conversations with them about virtual and then they decided to, you know, I'm going to... Let's say they don't live locally, I'm going to join a gym and want to do personal training in person.

August 2022 – Blair Wilson – How to Optimize Your Service Packaging (Part 2)

That seems to be supported by the health club data in the U.S. I believe. [Luke](#) shared this on happy hour. For those who don't know, [Luke](#) is the founder and CEO of [Discover Strength](#). He is always going to big conferences and things. This one particular event, I think, was maybe a [MINDBODY](#) event or something. A lot of big health clubs were seeing a big return to studio and return to personal training and then moved away from virtual. He was saying they were all like... What's the opposite of investing?

Blair: Divesting.

Lawrence: Divesting. That's it. It's 10 to 9 or 8... Do you guys say the same thing as American say with time? Would you say 10 to 9 or would you say 8:50?

Blair: Probably both.

Lawrence: Okay, alright. I'll say 8:50 for the American members if they say like that I have no idea. My brain is not working so I don't know what the opposite of investing is.

Blair: You're doing great.

Lawrence: Yeah, thanks! Anyway, he was saying that they were divesting. They were moving away from virtual. It was funny because on the happy hour we had Steve who is really investing in virtual. It just sounded like he was totally

August 2022 – Blair Wilson – How to Optimize Your Service Packaging (Part 2)

destroying his dream. But then [Luke](#) backed up and said, “Don’t get me wrong. You can still do this virtually.” But I think it’s useful to know those trends exist. And there’s a big cohort of people who want to return to working with someone in-person and they want to be working in a gym or studio with people. But there’s still another cohort of people who aren’t exercising at all who would love virtual if they knew about it. Do you have any thoughts on that or any research that supports that or doesn’t support that? I’m just curious.

Blair: I mean, I agree with [Luke](#). I don’t know if I have to agree with [Luke](#) if he is just spitting facts. Some studies I’ve read have similar information. I think there is an absolutely significant number of people that would stay virtual or would rather stay virtual. I think there are a number of people that don’t particularly care to travel to get world class services. And probably getting your service in front of those people so you’re not geographically limited with virtual. How do you optimize your marketing and all that kind of stuff to get in front of the people that you want to get in? It becomes a lot more macro than micro when you think about communities I guess so you can have that.

Lawrence: What excites me about it and I know we are going up and one here on virtual is I’m building an email list all the time. I only have 71 people on it so far. But I’m sending out my weekly newsletter. It’s normally why you should strength train or something like that. The last one, well, not the last one. One of the recent ones was myokines which really struck a chord. I had someone

August 2022 – Blair Wilson – How to Optimize Your Service Packaging (Part 2)

respond back and wanted to get started again. They wanted to do virtual 6x a month and they are in Limerick which is too far away from the studio. It's a couple of hours. It's made me think if I can grow this email database more, and obviously you track people to subscribe who are not even local we can still serve them. And that's what [Discover Strength](#) found worked amazingly for them is they built their email list and they are capitalizing their existing email list really well during the pandemic. It's now where they could suddenly serve all these thousands of people who moved away from Minnesota with virtual. I'll stop preaching virtual because I am definitely biased.

Blair: I think the original reason for virtuals is so we can enable those people who want to go from 4.9x a month to 6x that they paid for. It's important to sing its praises when you're considering its usefulness in that context. We went off on a tangent but I think we did it for a good reason.

Lawrence: We did. I do think to bring it back to the original concern about the infrastructure change in your location. It's the obvious way to future proof your business isn't it to get through those times. Let me see here.

Getting back to the original point about flexing up and down. Look, an obvious solution to avoiding that is having some kind of binary, unlimited option like you guys have. Is that the solution here? How would you manage it? Maybe if you are me and you're doing 4, 6, and 8 and allowing people to

August 2022 – Blair Wilson – How to Optimize Your Service Packaging (Part 2)

flex up and down. What do you think about this and what would you do differently to avoid the administrative headache if you can?

Blair: Every option and path has its own unique headaches, pain points and benefits, pain points and pleasure points. The Unlimited is certainly something that takes all the gas work out of it and you don't have to... There is a certain element of admin that disappears when somebody signs up for an unlimited unless they come to you and say, "I'm away for two weeks. Can you switch me down?" Because there is no number associated with it. I think we shoot ourselves in the foot when we say 4, 6, and 8. I think it's [Owen](#) that has them labeled Silver, Gold, and Platinum or something like that. You have in your description instead of the title describing what you're getting. The description describes what you're getting and the title is something weird that drives buying power. I have no idea why I would pick that.

But the admin of up and down is something that I think should be, and this is hindsight and I didn't do this, and I'm realizing over the last six month or so that it should be very strongly defined terms and conditions that people have. Like contracts. Strong contracts that are legal. I mean, your areas are probably going to dictate what you can and what can't do. I'm not sure what they are. I don't think Toronto has too many restrictions around that. But making sure that people have to have an existing contract to be able to use an existing paid for contract to be able to use sessions that they bank is super important. You cannot have people accumulate six sessions and then

August 2022 – Blair Wilson – How to Optimize Your Service Packaging (Part 2)

cancel and not pay anything. That's crazy. You can go from having 6 banks down to a 4 and then use all those sessions. That's totally cool. But you can't just cancel and use them. You got to be an active member.

I think if that's a legal document that somewhere says, yeah, that's cool. There is absolutely no reason to not enforce that. I think also you should put a limitation on how long they have to use the rolled over ones. That one is a little bit trickier because they have paid for that and you probably feel a little bit bad about it probably. But at the same time your business and your cash flow.

Lawrence: We do 90 days on the roll.

Blair: Yeah, I think that's amazing.

Lawrence: It works great. Clients appreciate it.

Blair: I actually think it is a compulsory requirement. You have to do that. That circles back a little bit to being a cheerleader instead of the empathetic person that allows somebody to do less. You paid for this thing. You don't get the benefit of that thing until you do it so do the damn thing. If you don't eat the bread before it goes moldy, are you mad at the bread or are you mad at yourself?

August 2022 – Blair Wilson – How to Optimize Your Service Packaging (Part 2)

Lawrence: One final question. I love the analogies by the way. You are a master, mate. I love it.

Blair: I don't know if I am but I'm trying.

Lawrence: The strengths and weaknesses one. That was original. I've never heard of that one before about holding the handle. You hold the handle rather than learning how to cut.

Blair: Right, yeah. That's a good one. I like that.

Lawrence: I love it. You could do that off the cuff surely. You already knew that one right?

Blair: No. I honestly don't even know what to say.

Lawrence: You're a genius. Okay. Last question I have for you because of time. If someone does have let's say 6 sessions whatever rolled or pending and they cancel, what do you do? Do you refund it? If anyone has been listening to [Luke Carlson](#) on my [Membership](#), or [podcast](#), or happy hour, or whatever lately, he's been talking about 'share of heart and share of wallet' quite a lot. Well, I'm going to butcher this but I'll try. You want to share of wallet because you want revenue. The share of heart is much more long game. It's making... decisions in favor of your business that hurt the customer you are going to

August 2022 – Blair Wilson – How to Optimize Your Service Packaging (Part 2)

lose share of heart. You are going to lose much more share of wallet over the long term from that particular customer and other people they refer. So they are always thinking about how do we maximize share of heart and do the right thing for the customer within reason. They would, I suspect, refund that customer all their sessions.

Blair: Wow!

Lawrence: Which can be a real pain for a business. I don't know if that's true. Maybe [DS](#) have rules around how much they would refund. I don't want to speak out of turn and speak on their behalf. I really don't know. But [Luke](#) has explained what they do. Obviously, they will refund and they will focus on that share of heart because they are always thinking long game. All roads lead to [Discover Strength](#). Maybe they will rejoin in three months or three years. Maybe they tell 10 people, "Well, I had a great cancellation experience. They refunded me all my sessions." So that's the mindset I think. What do you think about that? Would you refund someone? What are your rules around that and your thinking? And then we'll wrap up because I know we are at time. If you want to keep this concise I understand.

Blair: No, that's okay. With less thought than [Luke](#) has, my focus is more on immediate service correction with compassion. So if somebody is, "I've had this bad experience and my physio has told me...", whether their physio is right or wrong, it's not the part of debating. But when they go to somebody,

August 2022 – Blair Wilson – How to Optimize Your Service Packaging (Part 2)

they get hurt outside of the gym and they can't keep coming. They've moved something of that nature, we will typically immediately refund. It stings and we don't like it. In our terms and conditions it says at the bottom like, "Refunds hurt small businesses. Help us help you. Give us plenty of notice for cancellations and changes. But we will typically immediately refund after we've assessed, and this is leaving things up to human emotion, after we've assessed whether or not we can get this person to come in and finish it. We owe you for 6 sessions, are you leaving because you hate us or because you've hurt your back or because you're leaving the country. If you hate us, okay, we have other training options. Let's talk about your goals. You've got 6 left. Here's the plan. If you've hurt your back, well, here's what we have. Here's what we can do. If you disagree and you just don't want to do it because you're terrified. Okay, we'll refund you. [unclear] If you left the country it's a button to click, we miss you, all that kind of stuff, come back, you'll stay on our mailing list.

Lawrence: Or do virtual.

Blair: Got it. We can do virtual. I've got to feed my son. That kind of thing. I'm less like Luke's philosophy indirectly. That whole targeting at the heart strings thing is good. I'm more focused on having a pleasant exit experience and immediate service correction across all avenues. Because most people I've found if you ask them for reviews, they are going to give you a positive one, right? Reviews that are negative are because of silly things like that. You

August 2022 – Blair Wilson – How to Optimize Your Service Packaging (Part 2)

didn't call them back. You have a shitty offloading policy. Somebody is on the chest press and they have shoulder problems and they start training with you and they do a bench press and their shoulder hurts. They are not going to be pissed and go write a Google review. But if you tell them they can't have a refund after they hurt their back. They are going to write a bad review.

Lawrence: Yes, yes.

Blair: So immediate service correction with compassion is probably how I would demonstrate my approach.

Lawrence: You would be prepared to provide a refund if there was no workaround?

Blair: Yeah.

Lawrence: [unclear] one of that.

Blair: Yeah. We just came through 2.5 years of people that paid and then couldn't train with us. We're still getting people to trickle in that haven't trained for 2.5 years. We've communicated all the way along. If you have 15 sessions, we want you back. We will give you 15 sessions.

Lawrence: Do you have people who are like 15 sessions and haven't used them and you just held on to them. And when they start back again you'd give them 15

August 2022 – Blair Wilson – How to Optimize Your Service Packaging (Part 2)

sessions. Obviously, that's a very, very special circumstance, right, related to the pandemic.

Blair: Yeah, we had people during the pandemic that were like, "I'm going to do virtual. I'll pay for your virtual membership but I'd also like to buy a package of 20 just to help you out." And they still haven't come back in.

Lawrence: Wow! That's amazing.

Blair: I keep in touch with them because those were legacy clients. They've been with us for 8-10 years before that happened. So it's, "Okay, Dave..." And that guy frankly his name was Dave [unclear] He probably over the course of 2 years I bet you he has 50 sessions that he has bought just because every time they announce the lockdown extension he would reach out and say, "Hey, just charge me for 10 more. I'll use them when I come in." But he was doing virtual at the same time.

And then most recently was a woman that we hadn't seen for 2 years and she reached out. She was like, "I know it's been a really long time. I know that I had 15 sessions. I can see them on my profile but I also know it's a business so why wouldn't you tell me what's fair and I'd love to get started." My response was, "Sara, that's the most compassionate thing ever. I'm going to give you all 15. Get your butt back in here."

August 2022 – Blair Wilson – How to Optimize Your Service Packaging (Part 2)

Lawrence: Yeah, great. Awesome.

Blair: Well, that person... Think about 50 sessions a year at \$80 for 9 years. That person has given you a ton of money.

Lawrence: Yeah. The lifetime value makes it a no brainer. Isn't it? Blair, this has been awesome. I really appreciate it. I'm sure the members will find it really valuable. Best way for people to find out more about your business? medxpf.com, is that correct?

Blair: medxpf.com, [medxpf](#) on Instagram. And in a couple of weeks we'll have [unclear] if you want to hear it.

Lawrence: Yeah, looking forward to it. So medxpf.com. This is going to be transcribed as well. Thanks everyone for being a member. Thank you, Blair, for being a member. I really appreciate it.

Next stop we'll have a Q&A with the Founder of [Strength Portal](#), [Matt McGunagle](#). Strength Portal is obviously very popular for tracking your workouts and managing exercise libraries. I think, Blair, do you have a Strength Portal?

August 2022 – Blair Wilson – How to Optimize Your Service Packaging (Part 2)

Blair: I use [Strength Portal](#) that I have to take 2 seconds Matt. And I don't know if Matt has a team. I think he has a couple of guys that he works with. Easily one of the best customer service businesses I've ever dealt with.

Lawrence: I'll let him know that.

Blair: They fix things so fast it's insane.

Lawrence: That's amazing to hear. I'm really glad I partnered with him on the podcast for sponsorship because I love what they are doing. Straightaway I could see he is a great guy and they got a great team. It's a Q&A if people are interested in learning more about the platform. If they've bought the platform and they've got questions. That's all that's for the [Membership](#). More details on that will come in the email. Yeah, Blair, thank you so much. I'll let you go on with your day. Thanks so much for taking the time, mate. I really appreciate it.

Blair: I'm happy to have the time, buddy. That was great.