



**Complete Transcript: HALO Talks with Coss Marte
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Pete Moore:

This is Pete Moore on HALO Talks NYC I have a friend of mine for several years, reentering the fitness boutique space with a vengeance post COVID, Coss Marte, CONBODY, winner of the award that I judged him on several years ago on his PowerPoint slides welcome!

Coss Marte:

Thank you for you. I appreciate the opportunity to be here.

Pete Moore:

Awesome. Well you know, look, you made some waves before. COVID and had a good thing going, obviously everything was hit on a on pause, like a tape recorder back in the day. You know, so talk to us about how you're relaunching the business and you know, we'll kind of ref about getting real results.

Coss Marte:

Yeah, yeah, yeah. I mean, I, I COVID was a bit of a blessing for me and in some sort of way, cause we were quickly pivoted to doing online stuff. You know, all our stuff is all body ways. So we don't use any equipment for us. It was we'd have to send anybody a treadmill at home. It was like, turn on your camera, do what we do in a small constrained space, like a presence house. So I remember that that same day I had a 12 o'clock class and Cuomo just announced all gyms and fitness boutiques have to close down. And my partner was like, Hey, you can't do anything. And I was like, nah, I'm doing. And I was like, everybody, I'm not going to refund you, but I'm going to send you a zoom link turn on the camera. And everybody had the same experience. So it was a quick pivot and we had an incredible community that supported us throughout the way. So we we were able to survive this.

Pete Moore:

Yeah. I mean, it's interesting as you say that, because some of the groups that require a lot of equipment or switching stations and so on and so forth, you know, they try to do the home workouts, but it's not authentic. It's not what I provided you in, in the studio or in the clubs. So kind of people gravitated towards things that they were comfortable with if they could replicate it. So how did that did you end up using a platform? Did you do everything off of zoom and what are you doing going forward?

Coss Marte:

Yeah, so right now we did a, like, we try to experiment with different companies, you know? But we, the, the easiest thing for us was zoom. And we're still continuing to do zoom. It's, it's a great platform. You know, we're using Maryann attack software on the backend. People get like a five minute five minutes before class, they get the zoom link you know, change, the link actually changes every time. So it's, it's, it's easy for us. We set up in the actual studio today. We put like a 4k camera in the middle of the room and we're doing it at the same time. So in-person and virtual are running simultaneously. At the same time we were doing the same thing in the parks as well. So we've been able to do a lot of stuff outdoors and just make it happen. That's about it.

Pete Moore:

Awesome. So from, from a standpoint of, of the peak of COVID when people were sheltering in place scale, what kind of, what was the maximum number or where, you know, w when did you kind of stop and say like, holy cow, like, I got this many people, you know, I touched this many people today,

Coss Marte:

The one, one class I did 800 people. Oh, wow. That's a zoom call. And that's when, that's what I had an issue. Cause I had a pushed us. And that was like a special event. We'd done like a private class for somebody

Pete Moore:

Prime project class for 800 pounds. My mother telling me like, what happened, I'm afraid.

Coss Marte:

Yeah. Right. But yeah, no, it was, it was a one-off class, but it was, it was I was like, I had to up my subscription on the zone cause you know, it starts off like, you know, we have the free wine, we are utilized and I was like, oh, I got to start paying for this thing. And yeah, I mean, I knew I was we had something when everybody, you know, gave us great comments and videos and people reposting and seeing what's up.

Pete Moore:

So when do you get that kind of success online, digitally, and the fact that you don't have to drop ship, any kind of equipment to people, you know, you've got your virtual community, you know, how do you think about leases right now? How do you think about, you know, getting a 40 page lease from a landlord and saying, Hey, I go on my zoom or I can try and negotiate this deal. And, you know, actually, you know, be tied or personal guaranteed to something that, you know, maybe isn't as essential as it used to be.

Coss Marte:

Yeah, no, I mean, I definitely, I'm definitely not jumping into like a 20,000 or, you know, whatever type of rotate retail space, unless it's like a great, incredible deal, you know? And I feel like we have the leverage now to, you know, Hey, you guys have this space, all right, I'm not going to pay 30,000. You know, my budget is 10,000, are you going to work with me? And it was try to find somebody then, you know, if they can't find anybody and then, and it's, and I've gotten a lot of people hitting me up, you know, for spaces. But I'm definitely not looking into another space for a little while until things like settled down. I think, you know, virtually is a as a place to stay and go. But also like having actual space. I love the fact that you, you know, in person interaction is not the same as virtual interact interaction. So,

you know, our space was amazing. I have a second floor loft in the Lori side 1600 square feet. And we only paid \$5,000 a month. So I didn't ha I, you know, we use that as a, as a production studio basically, you know, so for us it was not like a crazy burn,

Pete Moore:

So you've kept that space throughout. Yeah, absolutely. Gotcha. So, you know, you, you're looking to bring on some additional capital now. I see you've got a pretty strong presence. You got some you got your book, right? Yup. And, and some other you know, digital related downloads, you know, how do you think about raising capital? Obviously, you, you got to get over the hurdle as you DOL articulated your Ted talks about, you know, when you were 13, until you were 20 and basically running a very entrepreneurial business, you know, you just were working for Merck or Pfizer. You know, so was leaving with dad for a second. So like w what are some of the things that people either say and say, look, I want to be a part of your, you know, rebirth, or I say, Hey, look, I'm not comfortable.

Coss Marte:

Yeah, yeah, no, I, I, I think it's right now, it's been a, I say it as a blessing because, you know, a lot of change is like coming about in the system. You know, a lot of people want to get part of the black lives matter movement, want to support, not minority owned businesses. And we've been fighting criminal justice, which has been like a systemic issue for so long, you know, 95% of the people in New York city that are arrested in Rikers island right now, the largest city jail you know, as people who are black or Hispanic, you know you could just see that that was like an opportunity for us to be like, Hey, we've been doing this work fighting criminal justice for so long. I've hired over 50 people now with zero recidivism rate, nobody has gone back into the prison system because we made something that actually worked and fulfilled in an economy for their pockets be sustainable.

Coss Marte:

They don't have to go back to the streets to make money. So we've been doing a lot of like B2B stuff. You know, we, we just signed up a SAP that look into onboard around 24,000 employees on our, on our platform, which is going to be a game changer at \$10 a month. You know, like I'm signing you know, with VaynerMedia, you know, we would talk to Dave, Dave and I were talking about Gary Vaynerchuk, we signed up, you know, their team onboard. So we were using our platforms. So other companies could show how social responsible or go fulfill this social responsibility if they want to get into the criminal justice space, you know, Hey ditch, if employees fit on our platform, plus hire people coming out of the prison system to train them, you know, so this is where we've been taking the business right now.

Pete Moore:

Yeah. That's great. From a standpoint of you know, the, the, the, the authenticity of the workout, you know, talk to us a little bit about how you kind of refine that, you know, in a, in a small quarters and then kind of decided to take that and turn it into a business.

Coss Marte:

Yeah. I mean, my, my whole story, I, you know, I went into prison for running a multimillion dollar drug business. At 19, I was making over \$2 million a year, got locked up at 23. And that's when I found out I had all these health issues, my cholesterol levels through the roof. They told me about a star exercising that within five years I could probably die of a heart attack. So that is where the health and fitness got

into my world. And it saved my life. I kept working out in in my prison cell and lost 70 pounds in six months. And I used that same workout method and started implementing it with other inmates. And I, I, it wasn't so a tale, I like ended up in solitary confinement that I started thinking about what I wanted to read do when I came home. And I came up with the idea of calm body then and just started doing it when I came home. I mean, today we've trained over 50,000 people.

Pete Moore:

That's amazing. So, so talk a little bit about, you know, so like SAP and you know, Gary V's company, you know, if I'm a if, if I'm a mid-size company, let's say I got a hundred employees, w what's the actual program, are you, are you checking in on people or just giving them access, you hold them accountable. Are they becoming calm body members?

Coss Marte:

Yeah, we're doing a whole bunch of stuff where competing against the department the backend Yuca write comments and all that stuff, you know, were doing also events as well. So on a monthly, we're going to be having like discussions on, you know, presenting one of my trainers on sharing their stories, how they got into the criminal justice space and how they met me, how they're affecting their lives. Now now we're doing a whole bunch. We have a whole bunch of planned events, like Turkey drives that we were doing during the pandemic. We're going to continue doing that for people that want to interact in person. We're doing toy drives for Christmas, for the homeless shelters. We'd go on food drives. We just did like a whole drive for the girls club where we, we collected a whole bunch of Lulu lemon, yoga pants that are a lot of our clients where I use in and wash them and gave it to them. You know, things of that nature that actually like bring tangible, you know change, you know what I mean?

Pete Moore:

That's great. So B being in the lower east side, so I was like, you've been there for pretty much her whole life. You know, how are you able to take this as somewhat of a show piece to say, look, there's all the tracks that you could go down. However, if you like athletics, if you, if you're into fitness, here's a path for you and you don't need to take a couple of turns that I did, you know, just kinda use that. I don't know if you ever played that game, like chutes and ladders back in the day, like, just take this ladder up to me and you don't have to go and down into shoots. And, you know, I usually say experiences what you get when you don't get what you want. You're here, you're here. So how's that been from a community standpoint?

Coss Marte:

Yeah. I mean, I've I've gone to a lot of, you know, criminal justice spaces where we have juvenile offenders, like avenues for justice, which is ran as we used to call it the Andrew Glover program that helps like 16, 17, 18 year olds that have been impacted by the system and still on probation and stuff like that. And giving them some of idea and opportunity that a space that it's possible for them to make money and get out of that world of, Hey, I need to sell drugs to help my family out. You know, I'm just giving somebody an alternative and I get tons of jail mail. Like my book is in, I don't know how many prisons, but I get jail mail from all around the country just asking like, Hey, I need a job when I come home, you know, I've been working out in the prison yard for 15 years, you know, I'm, I'm ready for combat. He, so you know, we have that, you know, the 70 million Americans with criminal records you know, so it's endless the amount of of pool that I could tap into to give opportunities to but right now,

without, without that big yet, and is, that's what we hope to grow to, you know, hire as many people coming out of the system as possible.

Pete Moore:

Yeah, that'd be on that thread. Is there a way to, you know, be con body certified and then maybe, you know, pull off like some, like a Zoomba type of business model where, you know, look, you can teach us wherever you want, you pay us X amount per month, just to kind of like have as big of a universe as you can. You can't hire

Coss Marte:

Everybody. Yeah. We that's, that's the goal right there. So I'm working on a comedy certification. It's it's also, we have a non-profit component component where we're going to be helping people go through that course get certified w Zumba is another we just spoke to the, the CEO of Zumba. Who's looking to invest in us as well. W we having the discussion with him to bring that, bring that model inside the prison so we can help them get certified while they're inside and, you know, bring that out and have, you know, pull the trainers on once they come out. Yeah.

Pete Moore:

From, from a standpoint of you know, nutrition, you know, is that everything you've learned on that is basically been self-educated.

Coss Marte:

Yeah. I mean, I, I, I tell people like, yo, you know, they, a lot of people ask me, what should I eat? I'm like, you know, what the to eat, to put the pizza down, pick up a salad, you know what I mean? Like, yeah, don't eat that ice cream at 12 at night. I, so for me, I think some of it is pretty self-explanatory. I know people have different dietary, you know, factors and stuff like that, but yeah, I know for the most part, I don't, I don't suggest anybody meal plans and stuff like that as something that I want to explore and get into in the future, but I feel like, you know, it's pretty easy to eat healthy if you want to eat healthy. Yeah.

Pete Moore:

W what's the what's the range of ages that you've had on some of these zooms workouts?

Coss Marte:

I mean, all types of ranges, I mean, the most common is like twenty-five to 35 young professional females, but like yesterday I had a 70 year old guy you know, my mom is 67. She does this four times a week with us, you know, and then I got my son, you know, who works out, you know, every once in a while. And he's 13 years old, so I've had a crazy amount of ranges, but the most common is that 25 to 35 range.

Pete Moore:

Yeah. That's great. So what are so many other things that, you know, besides the digital, you know, any other trends that you're seeing any thing related to you know, how you can reopen the studio that you going to change given the time that you've had to think through it?

Coss Marte:

Yeah, absolutely. Yeah. I think I can never go back. You know, people say a hundred percent occupancy and I was, I was always operating as like stick sardines in a can and stick as many people as possible. So we had like a, the actual workout space is 700 square feet and we had 24 people in there. So it was like very, you know, side by side, a couple of inches apart, you know, I can't go back to that, that audience, but the virtual camera's still there, you know, we've running it simultaneously and we're looking to probably fit like 16 people at most. So we could keep that separation that, you know, see if we could do like three feet apart. But yeah, I mean, that's, that's the goal. I also want to start exploring the apparel side. You know, I feel like we have a really great branding opportunity on that end and we haven't really done much with it. So I'm talking to a few people that's, you know, designing stuff and teaming up with people, you know, that I feel like we go re blow up and then also use somebody that somebody has sales to go to our foundation side so we can help, you know, provide an opportunity for people to come home.

Pete Moore:

Gotcha. So the last question related to you know, you as an entrepreneur and you may be trying to delegate as much as possible, so you could go on to, you know, cut some of these bigger deals or, you know, go into these corporations. You know, how, how big is your bench? How often are you teaching a class just to kind of stay close to the business? And how, how much of it is you say, look, you know, I've done this, I'm kind of the architect, and now the architect's gotta go on and, and, and get the next frontier. I, I

Coss Marte:

Love teaching classes. So I'm teaching every Tuesday morning and then Saturday afternoon. And so I always keep that on my schedule now. I feel like I work my flights around that. So if I have to go somewhere, I'm like, yeah, I'm going to be traveling from Wednesday to Fridays so I could make it back to class on Saturday. I dunno. I just, I really like having that interaction and being there. I obviously I'm now teaching, you know, 20 classes, like when I started a week, you know, I was burning myself out and doing everything, but you know, it just gives me time to be on, on opportunities like this, or like amplify the business.

Pete Moore:

Great. So tell us cause we've got a lot of individual investors and some venture funds. Now listen to this podcast, you're holding back on how much you want to raise. And then we can get this podcast out to the network.

Coss Marte:

Yeah, absolutely. And thank you. We're raising \$3 million. We have about half committed right now, like 1.6 at a \$12 million pre money valuation and is where we're at. We're looking to close around by the end of June. And you know, if you want to invest get on, on the, on the ground right now.

Pete Moore:

Awesome, man, you got any you got any quotes that you live by or any sayings that are costumes you want to share with us,

Coss Marte:

Trust the process, trust the process. You know, I was, I started this in the park by myself eight years ago, you know, there was times where nobody was showing up, but I continue showing up every single day, delivering a great product. And I knew I was going to work and I just kept doing it and kept doing it. And it started working, you know, and I feel like that's all you need to do is show up every day, deliver a great product and trust the process.

Pete Moore:

Awesome. All right. On that note, check the show notes for a calm body investor materials, love what you're doing load the perseverance. And I feel like the market sentiment is finally caught up to where you were when we first met and you know, only good things ahead. So congrats. Good to see you again. I'll see you in person when I'm back in the city. Thank you, buddy. Talk to you soon. Bye.

Speaker 3:

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