



**Complete Transcript: HALO Talks with Brent Darden  
Posted January 28, 2022**

Pete Moore:

This is Pete Moore wanted to officially announce the release of time to win again. 52 takeaways from team sports to ensure your business success. I wrote this book over the last year. I think you're going to love it. Good to great meets wears Waldo, pick a 'em up for your team. Time to win in 2022. Happy to come to your club, your studio, your company, and talk about ways we can optimize business and win going forward. Go halo. This is Pete Moore on ha talks NYC on location, Dallas, Texas, with the honorable ex-president and chief of SA Brent Darden, a new close friend of mine and a man who took us through the pandemic. And now he's allowed out, out to play again. So good to see you.

Brent Darden:

Yes, thanks for having me. I appreciate the on honorable part. That's honorable that's. It's very nice. Very, probably from

Pete Moore:

Some Netflix show that I watch. It's buried in the back of my Dropbox brain. I am much

Brent Darden:

More relaxed today than I was just, I got to tell you

Pete Moore:

Ago, kind of look it too, by the way. Yeah, you look like I still got accountability and responsibility, but not on my shoulder, someone else's right. It's like it's so we're going to spend next 20, 25 minutes talking about some of the silver linings that came outta COVID. I don't think we need to replay the rollercoaster ride that we've all been on, but I think there's some key takeaways, you know, that you were helping spearhead and you know, questionable whether, you know, we come out the other side and this might have been something that we needed to, you know, get our act together. So for the five people that don't know who you are, you want to just give your quick bio and then we'll riff away.

Brent Darden:

Yeah. the quick bio is I've been in the health and fitness industry. My whole career got my degree in exercise physiology and exercise science and did a lot of work in the corporate wellness arena. Many of you may know, I live in the Dallas Fort worth area, which is one of the biggest places for fortune 500 companies. So there's a lot of corporate wellness programming here. And I spent my early part of my

career doing that for many of those companies. Then I went to the Cooper aerobic center as the vice president for almost a decade. And we,

Pete Moore:

We just had Dr. Cooper on

Brent Darden:

This morning. Yeah, yep. And

Pete Moore:

90 these like I'm like what, what kind of vitamins and supplements do you take? I'm going to start now.

Brent Darden:

Yep. He's he still can share the story. Can he keep

Pete Moore:

It's incredible. It really is incredible.

Brent Darden:

And then owned a club called tell us fitness centers, which luxury brand here in Dallas mm-hmm <affirmative> and then I've also currently chair, many of the Rex round tables, which people are familiar with. Yeah, sure.

Pete Moore:

Yeah. Well you know, just to, to reiterate, you know, you coming in and taking this on when you did, you know, it was like crisis management 1 0 1 and you got us to the other side, so, you know, thanks. Thanks again for, for stepping up. So let's talk about some of the things that you saw evolve in that, you know, as of now you can look back and say, Hey, here's a couple silver linings here, you know, from this whole COVID experience.

Brent Darden:

Yeah. So let's start maybe with the overall picture rather than just Oura specifically. I think, you know, we've lost here in the us, we know 25, 20 6% of health clubs closed permanently mm-hmm <affirmative> and many would say we were due for a market correction and I would be on the side of that. Mm-Hmm <affirmative> I think everyone I talked to as a consultant and with Rex over the last decade or so in acro around the world would say, wow, we're just, there's an option on every other corner right. Of fitness. And so I think this has been healthy after we get through it because it has decreased some of the market size as bad as that kind of sounds so that that's one silver lining. I think that's come out of it. Another is it's forced everyone as crisis does all we say crisis breeds progress.

Brent Darden:

It breeds inventiveness mm-hmm <affirmative>, it breeds creativity. It forces people to really look at their business, to get leaner, to get meaner, to be more efficient. And so I, again, I think coming out of it as harsh as it's been and as difficult, we'd never wish that on anyone. I think the clubs are going to be healthier. Mm-Hmm <affirmative> I have the opportunity through Rex to meet with, you know, 60 club

operators from around the country on a regular basis. And they all to a person are recovering well, mm-hmm, <affirmative> slowly, but well, and they've learned a lot of lessons going through this that are going to serve 'em well into the future.

Pete Moore:

Yeah. For those who don't know about Rex roundtables, I feel like there's been, they've taken that this up a level, you know, the game that, that, that that's being played now and the amount of connectivity between these operators, you know, all I hear is good things outta the Rex round tables and this knowledge and the sharing of right. You know, best practices. So, so hats off to you and to, to Eddie for really op optimizing that. Cause I think people needed education. They also needed support groups and they needed some little bit of business group therapy, you know, maybe a little misery loves company, but also misery loves, you know, recovery. Right, right. So good thing. So maybe just for pause for a second, tell us what you're doing with Rex roundtables and what somebody would get out of that. If they were part of one

Brent Darden:

Eddie's running, I think we have he has, you know, 18 different round tables, not only in the us, but some international, I lead four of those for him. And they really are, as you said, already, their peer to peer is what it's all about. Mm-Hmm <affirmative> so it's not sitting and listening to a presentation or to my diet arrive about what people need to be doing. It's really them sharing among themselves and facilitating those discussions, but the bonds they create and the sense of community that comes within those is what really you hear about. And some of these round home members like Joe Gainesville, health and fitness, he's been in it 24 years. He's never missed a meeting. Mm-Hmm <affirmative> <laugh>

Pete Moore:

And don't expect that of him anyway, but yeah. And people

Brent Darden:

Join and they get a lot of return on investment for us. So it's a, it's a great product.

Pete Moore:

Yeah. I feel like this industry is very special when it comes to people being open about what's working, what's not working what their are, you know, taking advice from other people, whereas other industries, I think it's a little more combative and competitive and like, Hey, you might steal some, a market share right here. I think it's like, you know, maybe it's because of, you know, we only got 15 to 20% of the population. So if we just get another five or 10%, everyone wins,

Brent Darden:

I would agree with that. And one thing I would say, based on your comment right there, that kind of, we do only get about 20% of the population or some cases a little bit less, depending on where you are in the world, in the us we're, you know, right there about 24% of the population belongs to a quote, Jim mm-hmm <affirmative>. So as we went through COVID and we redeemed sort of non-essential one of the points I would make with people is, Hey, how many people, if you talk to a group of 10 people on the street, 10 outta 10, want the restaurant open? Yeah. Eight outta 10, want the bars open for sure. Only two outta 10, give a crap.

Pete Moore:

That's a great point. I never or not. I didn't think about it that way. So part

Brent Darden:

Of the pressure, you know, just societal pressure about getting relief and deeming us essential, right. Is to a degree, our own fault. We haven't penetrated the market to the level that we should. And that's another silver lining. I think that really has been brought home to us through this pandemic that we've got to figure out how to reach more of the inactive market, that market, that doesn't darken our doors. How do we really help get them in better shape? You, you referenced Dr. Cooper this morning. He told that story. So, so well about all the benefits of being physically active. Yeah. And that's what we provide, but it's not being taken advantage of by the medical community, by the elected officials. You don't hear any of them talking about, well with got to get everybody moving. Yeah. And, and we just need to a better job of that in the industry. Yeah.

Pete Moore:

So, you know, from a standpoint of the Rex round tables that you oversee, you know, what are some of the either programming or thought processes or actions that people are taking that you're like, okay, they didn't do that before. You know, now they're now they're, you know, they're spot on. And they're kind of about like ahead of the curve.

Brent Darden:

The first thing I would say, which everybody's familiar with is expense reduction. Mm-Hmm <affirmative> but it's gone to a whole nother level. I mean really looking at every single line item because they were so crunched, financially forced 'em to decide, Hey, the trash is being and picked up three days a week. Can I just be picked up twice? Right, right. Do I really need this interior plant maintenance contract? Or can I water a few plants and cut back on, on that, including all the payroll costs that they've looked at and maybe not having a marketing team anymore, a sales marketing team, but spreading that out, like many of the low cost operators have already done fairly effectively doing more online sales mm-hmm <affirmative>. So part of the adjustments they've made is they've leaned up their organization and now as they're going forward, their revenue is not what it was pre pandemic for sure. Right. Hasn't climbed back there yet, but their expenses are down and their margins are up. And so the lessons they've learned about how to do more with less, I think is a big part of what was learned. Gotcha.

Pete Moore:

And when you look at, you know, all the different capital providers that are coming into the space, whether it's, you know, planet fitness has 25 private equity funds in their, in their network, 10 orange, three area developers are backed by private equity when you started to get involved in SA and became the head of this, going through that, that path and trajectory. How did you think about who the owners are of these businesses? How we could potentially get them involved, whether it's just for crisis management or even longer term mm-hmm <affirmative>, you know did is the, the financial communities here to make money. Right. And I, and I'm not sure that they've understood that they, you also have to be here to, as a trampoline for us, you know? So, so what was your experience there and you know, where do you think the, the touch points are going forward? I don't know if that's a question or just the thought.

Brent Darden:

Well, I think as I was sharing with David before we started you know, the, I allowed me to see the clientele from a different lens really than most people get to see it. Right. So the independent operators that own one, two and three clubs, the studio operators, they really appreciate the education, the content, the knowledge, those kind of things from the earth organization. But if you're in any time or a planet or a lifetime, you have all that in house. Right? Yeah. You're recommending the equipment. You're giving those franchisees, the playbook, you're telling them how to operate business. What they really hope for Mesa is the advocacy piece. Right.

Pete Moore:

And I know, but it, but wasn't funded to, to, to be set up that way. Yeah. Yeah. I mean, I was like, I was like, oh, IA, this IA that I'm like, Hey guys, they've been running a trade show, which has been awesome. And it grows every year. Yeah. And we've got all this education, I've got all these data stats that I need in order to get the private equity firms to invest in the space. I need to the IA data. Right. Right. And then did you didn't put any money towards advocacy? So what do you expect? You know, what do you, so I was like a defender of RSA because Uhhuh, they weren't positioned to do that. Right.

Brent Darden:

Well, and for those either listening that don't know he's on the advisory council for the national health and fitness Alliance, which I think is a fabulous steps taking us in the right direction. I is really swinging now with the new co in place, you know, around advocacy. So we're heading down the right path. I think that's going to be shifting and changing thanks to you. And I appreciate you volunteering

Pete Moore:

Up. Well, thanks for having me on there. And I think my voice has been heard and we've got some pretty robust set of initiatives that I think are going to allow just to be creating a recurring revenue donation stream or thief stream, which I'll tell you about off camera or off audio off mic. So, you know, going forward, you talk about some of those groups, you know, we're, we're, we've got this industry association, but we don't have LA fitness. We don't have planet fitness here. Obviously they have their own conventions. Do you think that there's a separate set of managements that they would want versus what we would want?

Brent Darden:

I don't think it's separate. I think, you know, one of the things we accomplished was we restructured the whole due structure mm-hmm <affirmative> and what a membership of SA includes. And now with our premium membership, they're excited about that. So lifetime is joining SA. Okay, good.

Pete Moore:

Because breaking news on low talks.

Brent Darden:

Yeah, yeah. We've heard that verbally. Okay. and Liz is going to Minnesota next week to seal the deal and, and get that actually accomplished. So that new membership model is exactly what they wanted. And that's why we designed it for those people specifically. And there are a lot of independent operators that are going to that as well, because 75% of that premium dues line goes advocacy. So

almost all the money, the vast majority is going to support the AEE versus where they want the focus to be. So. Gotcha.

Pete Moore:

So as you look back on your, you know, tenure going through this crisis, what, what, what kind of advice would you give to someone who's locally trying to get, you know, whether they're county or their mayor or, or their state, you know, I don't, I personally don't know the name of any of the Congress, people that are in the area that I live. We had a radical idea to say, let's put up a L E D display and, and has the, the congressmen and women who support the GYMS Act. Here's the ones that don't, you know, here's like green and here's red. And you know, how, how much of a tangled web was it when you, when you got involved to try and figure out like, Hey, if you don't have somebody who knows how to like coordinate things in Washington, like you can't just, Hey, it's a pandemic like a coming in, you know? Right. I mean, it's in a room if you haven't been there.

Brent Darden:

Well, like so many things, it, it is partially about money. You've got to have money to get things done. And you've got to be able to contribute and get the attention of the elected officials at the same time. Like so many other things in life. It's also about relationships. Yeah. And that's where as an industry, we've, I think fallen short, we didn't have the network and the relationships on Capitol hill to get the things accomplished that we needed. Mm-Hmm, <affirmative>, I'm really excited to say that that's changed dramatically. Do we have a seat at the table? We absolutely have a seat at the table now, based on all the work that's been done by everyone over the last couple years, all the grassroots campaigns you can go to the quorum site@ersa.org and see to your point, which congressmen and women are signed on, which senators have signed on in support.

Brent Darden:

So that's really changed dramatically in the last year. Not that we don't have further to go, but I remember early on in the pandemic, I can't even count the number of times. I heard people say, we just need a voice. We need a seat at the table. We've done that. Yeah. As an industry, now we've got to capitalize on it and make sure that that's something that continues forward you. And I've talked about one of the other civil linings is that state alliances were formed, right. Really out of miss set and frankly, out of desperation. Yeah. To try and get their clubs open and keep their clubs open. And now with the N H a in place, I think hopefully we'll have a platform and a vehicle to keep those continuing into the future because after COVID goes away, the common enemy to a degree will be lost. Right. And the challenge will be even greater to keep people interested in participating and engaged on how do we maintain the momentum that we've built politically. Right. Yeah.

Pete Moore:

So as you look at the industry, kind of like at a 30,000 foot view, and you see, we've got all these connected fitness, hardware players, we've got apps and all these subscription, we got all the bricks and mortar, are you hopeful? Like I am that maybe these connected fitness providers should be using the health clubs as a showroom, and then give the health club operator 30% of the sale, just like they would a retailer. Do you see some of these connected fitness providers potentially taking content from the local health club and popping it up on their, on their hardware? Or do you think like we're in for, you know, like a VC versus private equity, you know, battle of the Titans, you know, heavyweight match.

Brent Darden:

I, I would say the former and I've talked with a lot of people about this and the truth is I've been in this industry long enough to remember SA 30 years ago, did a big research study from a third party, looking at people that owned home exercise equipment and belonging to the gym. And,

Pete Moore:

And what was that number again, overwhelmingly

Brent Darden:

You're much more likely to be a member of a health club if you also owned home gym equipment. Right. Yeah. And I don't think that Shane so definitely view it as complimentary. There's definitely a group of people that are only going to do the online connected fitness stuff. But I think the vast majority of those people see it as a compliment to the in-person experience that they get in health clubs and the numbers are bearing that out. Right. Yeah. If you've been in a more open state, like Texas, Florida, Oklahoma, Arkansas, et cetera, the runway once they've been the opportunity to be open is great. They're getting more members mm-hmm, <affirmative>, they're setting records as so far as membership sales go. So I think it's going to be a complimentary thing. And of course, a lot of clubs and I'll just use the name Peloton have had Peloton in their clubs already. Yeah. and it's, it's a great service to provide. So I think we need to figure out the ways that work together.

Pete Moore:

Yeah. Look, I mean, Peloton, you know, obviously they own Precor now, but the, the fact that they were there when people needed them, you know, I thought it was amazing, you know, like obviously stock shot up and all the bricks and mortar companies are, you know, in distress. But, you know, I think it was a good thing that we kept all these people working out for sure. And there really should be a collaborator and not a, not deemed a competitor. Right. cuz I don't see the future of humans, you know, relegated into their apartments to do everything, you know, I'm going to do a zoom, I'm going to ride my Peloton. I'm going to get door dash and then, you know, and work from home. Yeah. And work from home. Okay. And try and find a social life somewhere in that continuum. Right. Probably not going to happen for you. That's right. So, so public service message get outta your house, get to a health club or a studio or just walk, walk around, get outside. So in, in, in closing here, you know, what, what's, what's your plans going forward? You know, you've obviously been very influential across the industry. It's great that you're doing the Rex round tables, you know, what, what else do you want to accomplish or do you want to just hang out for a little while and take a deep rough

Brent Darden:

The honest answer would be, I want to hang out for a little while longer <laugh> and take a deep breath. You know, again, it was, it was an honor to be asked to step in at D I was kind of in the semi-retirement stage. And I'm back to that now, which I get to spend my time doing a lot of things I enjoy. But one of the things I hope to influence going forward about our industry is <affirmative>, we've got to change the message point a little bit, to be more attractive to the broad society mm-hmm <affirmative> and you know, we've, again, we've done it to ourself and I'm guilty of this as well. When you look at our marketing pieces and our messaging, it's healthy, fit, attractive young people. Yeah. Go to people website. That's what you'll see. Look at their marketing and advertising. That's what you'll see. Yeah. And when I had the opportunity to work with the world health organization, which is the first time

they've ever asked Gara to be a part of those conversations, they helped me realize that for many people, the word fitness is frightening. Right?

Pete Moore:

Yeah. It's a challenge that they know, know that they can't right.

Brent Darden:

It's a bar. They can't overcome it. That set too high. And so we've got to learn that when we say fitness, it is frightening to some people because they don't know that they can walk for 15 minutes. Yeah. Yeah. And so while all of us are worried about hit and we're worried about the, you know, the booty blaster in the, and, and all those types of activities, the rest of society is just trying to figure out and get in their behavior, how to get in the habit of walking around the block every day. Yeah. So we've got to make a shift and that's one of the things I hope partnering with Dr. Cooper. Again, I worked with Dr. Cooper for a decade. So I was really steeped and brought up in that sort of mindset of it's really about getting people to be active wherever they are, and then incrementally increasing that and helping them change their behaviors overall. So that's where I hope to maybe have some influence in the future. Yeah.

Pete Moore:

I feel like there's going to be a wave of gamification and, and you know, challenges that are group challenges that are not necessarily creating kind of anxiety or, you know, can I finish this? And especially I think with the apple watch and some of these other connected devices that people are going to say, Hey, I could do that. I'm, I'm hoping that also some of the videos that people have done at home, maybe they tried out a hit workout at home, or they did a bar class and they realized, oh wow. I, I can actually could do this, but I would never step foot in a club. Right. Or studio to try that that's crazy. Like I might have a heart attack. Right. And you're like, okay, I did it at home now. Okay. That intimidation factor is down. And then we just got to focus on making things fun. Right. People just want to do fun things. And I feel like sometimes we get caught in this results, you know, have it now. And maybe that's not what everybody wants. Like you want to go bowling. Why? Cause it's fun, you know? Right. Like I'm not, I'm not trying to become an extrovert bowler. I'm not trying to like have a wicked spin. I just want to go have fun for two hours. Maybe that's like, what we got to infuse back in that we're enter at business also. Yeah,

Brent Darden:

I think and this is a little self-reflection and I'm embarrassed to say this, but when I first got to Cooper and this is now 20 something years ago, right. Yeah. I noticed that we had a, it's a very senior demographic at that place, but particularly I saw seniors that would come in and they'd drink the free coffee. They'd read the newspapers. <Laugh> back when everybody was reading newspapers. Yeah. Yeah. And they'd hang out and they might, might go out and work out, you know, for a few minutes. Right. And I thought as the vice president there, oh man, these guys they're just killing me, you know, come on, just come in here and work out. And you know, the coffee's expensive and blah, blah, blah. And then now that I've been through that with my parents and seen them with dementia and declining health and mm-hmm, <affirmative> being relegated home and not getting outta the house. I'm like, that was a complete wrong attitude. Right. I don't care if my dad doesn't walk around the track or touch a piece of equipment. But if he'd go to the health club to see friends, hang out, get outta the house and have that sense of community and improve the mental wellbeing.

Pete Moore:

Fantastic. So it hit me, it didn't hit me until six years ago. I went to this Clinton health matters conference in in Palm Springs. And it was Clinton and he was interviewing the top three health insurance companies and, and Aetna CEO of Aetna was like the first one. He's like, what's the biggest issue in the healthcare industry and the guy without even skipping a beat or thinking he's like loneliness, he's like loneliness is biggest issue. And he told the story about, they had a woman in south Florida. Who's like 86 years old. And they, they picked her up and they took her outta the house and they brought her to like an activity center mm-hmm <affirmative> and he is like, I have to keep people involved in a community because if they're involved in a community they're happier.

Pete Moore:

Right, right. Cause we are social animals, which some people might have forgot. But also just having that, that, that responsibility and, and accountability that look, you know, people are going to see me, you know, it's, I'm going to dress up. I might take a shower. I might brush my teeth. You know, I might work out. I might, even if it's only a hundred steps to, to go to the, the van and then a hundred steps to go in, like that's 200 more steps than you would've taken, you know? Right. So I think it all starts with having this community and, and having it more open, like you're talking about, like, we shouldn't put up these pictures that are aspirational to us and like, yeah. That's who, that's who we are, but that's not really where people start. Maybe we should show where you start and then where you can finish or just where you start is, is fine. Right. You know, so, so in closing you got any good business quotes I'm sure you've been peppered with quotes over the years or business or personal or anything that kind of sticks in the back of your mind?

Brent Darden:

No. I kind of referenced the one that I have used over the last good year. That's good. Which, which is crisis breeds, progress breeds in inventiveness and it breeds bold strategies. And so I would encourage listeners to embrace that. This is, there's an opportunity that comes right now. Yep. With the closure of on many clubs with the changing dynamic, with the heightened awareness not even just in the us, but around the world about the importance of maintaining health and being physically active. We've never had this opportunity presented in our lap before mm-hmm <affirmative> and it's upon us to take advantage of that in every way that we can. Yeah.

Pete Moore:

Yeah. And stop selling price, because what you're bringing value is worth 10 times what you actually charge. So just remember that cell results. Exactly. So great to see you in person was the first time I seen you in person. I think so. Oh my God. I feel like that's crazy, but okay. We've probably zoomed many, many, many hours, so thank you for getting me on the N H a to help what you were doing and sincerely for, for stepping in here into a, a crisis management situation that I don't think many other people could have taken on. So thank you.

Brent Darden:

That. And I appreciate your support all the way through

Pete Moore:

You got it, brother. All right. Good to see you.

Speaker 3:  
The.