



**Complete Transcript: HALO Talks with Hensley Ellefritz  
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Pete Moore:

This is your host, Pete Moore. And I am pleased and humbled to announce the launch of my one and only book, Time to win again, 52 takeaways from playing and watching team sports to ensure your business success.

Pete Moore:

Those of you who know me personally, and anyone who listens to halo talks for any length of time, know that I am an avid sports fan and a big believer in the value of team sports. What I've seen over the past 25 years, helping businesses grow raising capital, being an entrepreneur, myself, and coaching and mentoring executive in the sector. It's the lessons learned on the field perfectly apply to business entrepreneurs, executives, managers, you name it. Every company that's a strong company has got a good team. It's a quick read. There's also illustrations in there from our good friend, mark cruelty free tunes. If you go to integrity, sq.com, enter your email address and we will send you information on the book and the entrepreneurs' survival kit as well. Be great. Take names go halo.

Pete Moore:

This is Pete Moore on halo talks NYC on location with native consultant from Dallas, Texas Hensley. She is a guru in the boutique space and we are going to learn what the challenges are and how she's helping people succeed and thrive in this new normal. So welcome to the show. Thanks. I'm excited to be here. Awesome. So one, you give your background, you've worked with some big brands you've, you know, built some strong companies and sales teams. And then sounds like you've dedicated yourself to helping the independence shine in roar. Yeah, exactly.

Hensley Ellefritz:

So I, I was one of those unique people that kind of knew what I wanted to do basically out of the womb. I knew I wanted to be in fit and was a competitive athlete. And then went to school for sport management and applied physiology here at SMU. And through this found Equinox, I started at the front desk. I think I, I, candidly I think I lied. I know I lied and, and said I was 18 and I was 17 <laugh>. Cuz I was just hungry to, to get in the industry. This is right before boutique fitness started waking up mm-hmm <affirmative>. And so at the time Equinox was really the pinnacle of luxury, high quality group fitness mm-hmm <affirmative>. So I was with them for seven years. I was one of their top sales people, membership sales people, and then account managers and then was recruited by pure bar at the time in 20 15, 20 16 to then build out their sales programming.

Hensley Ellefritz:

And that was my first foray into fitness franchising and boutique fitness, and really witnessing that boutique fitness owners by and large were passionate about what they did, but didn't necessarily have the business acumen to scale their businesses or remove themselves as owner operators. So I, I then moved to club Pilates as their national sales director at came on at location one 20. And then when I left, we were a little under 700. Wow. Yeah, so the, the great thing about being there was, you know, seeing club Pilates become exponential and then exponential really using club Pilates as the mother and template for building out the sales infrastructure for all of their other brands. So mm-hmm, <affirmative> pure bar cycle bar rowhouse so on and so forth. And then over COVID 19, I think a lot of us had revelations, but as I was steering, you know, 700 studios through how to make, make it out alive, but continue to drive revenue through studio closure, mm-hmm, <affirmative> began to witness independent competitors just dropping like flies.

Hensley Ellefritz:

So saw individual studio owners kind of throw stuff at the wall and see what stuck. And I knew I had the information and the wherewithal to who help them come out of this, come outta this alive mm-hmm <affirmative> and continue, you know, thriving. And so I left exponential in the end of last October, it was always my goal to just work individually with studio owners. I never wanted to be an entrepreneur. I never wanted to start a business and it's taken off. So we're now a team of seven. We worked with over a hundred studios and we really specialize in not just helping you sell your, your product, right? Cause every studio owner thinks we have the best workout and we have the best community. And it's like, well that that's not going to make me hand over my credit card and allow you to charge 250 bucks. So really helping you determine what problem you are solving with your clientele. And then building a coinciding sales and marketing infrastructure that supports that and a hiring and staffing model that allows you to wear the hats that you want to own as a business owner. Instead of every hat, which is the typical for a, a duty

Pete Moore:

Owner. Sure. So, you know, if, if we rewind and go back to Equinox, what are some of the foundational building blocks that you learned there? Obviously one of the premier yeah. Companies in the space, I wouldn't say go, if you want to go to a high end club, like it's not a hard sell for Equinox to right. You know, get your credit card. But at the same time, there's probably, you know, processes and like psychology. And so give us a little insight into what you've learned over the years and, and, you know, what's kind of like transformed you into, into how you think. Totally.

Hensley Ellefritz:

I, I should mention that I was passionate about fitness, but I didn't know, you know, at 17 that I was going to be in sales and I wanted to get into management and you know, Equinox said, you have to start selling memberships first and I didn't want to do that. Did it kind of, you know, whatever and ended up obviously being really good at it, but through this witness that any successful fitness business and I would go so far as to say any successful business in general operates as a sales-driven business with a conceptual overlay. So Equinox is a sales-driven business with a marketing support, right? Marketing speed sales. And then it's the product that happens to be selling as fitness, right? That's the overlay, but it's not a fitness business with a sales component. And so from the very beginning, understanding who was our target client, how are you capturing their emotions so that it didn't matter if you were charging

a hundred dollars or \$400, you add them in the Palm of your hand, the rest of it was really just, you know, extra credit. Once you

Pete Moore:

Walk through the, how much with Equinox, and if you go back to, to when you were there, they probably had a lot of those really funky ads that were a little bit trendy and like, it may just stop yeah. And figure out like, okay, what's going on in this pictorial that they've put together or, you know, it's Equinox, it's life. It's, you know, it's not fitness. Right. So how did you kind of how was that embraced by everyone? And did everyone buy into that? Or did some people say like, Hey, this is like, where are we going with this? Yeah. Or is this too far? Or is it like shockingly you know, poignant to the point where okay, like this, this is working like yeah. But it, but it doesn't seem like it, it would for a long period of time, but it did. Yeah. Yeah. So

Hensley Ellefritz:

Talk to me, talk us about that. Yeah. You know, I think fitness has gone through this evolution, especially like COVID has, has expedited it, but you know, mental health and becoming all-inclusive and it's for how you feel instead of how you look, but that's not where fitness was even 10 years ago. And so Equinox really, I don't want to say exploited that, but it was highly sexualized and I don't even think their intent was to get you to resonate with that. Right. It was enough to peak your interest. So you're like, what is this thing all about? Let me at least try it out. And that's, that's what any good fitness studio does now, right. Is you can't explain what you do and how, how you do it in your experience on a piece of paper, but you can get the consumer interested enough to just check you out. And then from there, that's when the real sales process happens. And I think Equinox did just that, right? Like it's not fitness it's life. And there was someone like jumping over a fence or, you know, somebody

Pete Moore:

Sitting half naked in like a, like a velvet oversized chair, something wearing like a crown. I don't know. I filled those images imprinted in my Dropbox brain. For some reason, I, I don't even know what it was, but it shocked me at the time. And I was like, okay, I guess it's working. You know, you sell memberships that at that price and that volume. So when you take a look at Equinox and you say, all right, these are, this is a way to, to capture someone's attention. Yep. Right. They never, at least in my history, I've never seen an ad for Equinox with a dollar price on it. Correct. And restoration hardware. If you go into that store, they don't have a price on anything because you want, they want you to go into a room and say like, feel like you live there, like this isn't, this isn't a shopping experience.

Pete Moore:

This is a, this is like a, a lifestyle decision. Yeah. Right. They say I'm a, I'm a, I'm a love style company. Like, you got to love me and I'll love you. And I will provide these, these awesome, you know upholstery. Yeah. And, and tapestries and everything else. So how do you think, how did that kind of change or when you go into like pure bar and we were an investor, an extend bar for a period of time, we've got some others. And it was always about like, what do we sell on the membership at? What's the price point? And, and you sound, what you've touched on before was I'm going to qualifying what somebody needs for me. Yep. And then I'll, then let's talk about what that's worth to, of them. And then what my, my price is. So talk about how you're able to kind of hold the line on that and do that with confidence. Cause a lot of operators in the space are just like, look, let's sell price. Cuz it's like the easiest thing for me to figure out how to do. Yeah.

Hensley Ellefritz:

It, I think it's, it's learning to sell the intangible. So it's learning, you know, what makes Pete tick, what's his specific prerogative for walking through the door and that's through asking you questions, it's a time consuming process. Right. But then once I have captured that specific emotion, there's no dollar sign attached to that. Right. Right. Cause if I can promise you confidence, if I can promise you security, if I can promise you lack of pain. And then I say, how much would you pay for that \$250? Sounds like nothing. Right. Exactly.

Pete Moore:

That's what, you know, you know, I joke around that, you know, planet fitness is great. Their business model works. Okay. But it costs less to join the planet fitness than, than it costs to buy a Turkey wrap. Yeah. In Manhattan. So I'm just like, what's the price value. And also what do you want, like somebody said to me today, like, Hey, you're giving out these books. I'm like, no, I'm not giving 'em out. Like you're going to pay for 'em because if you pay for something, then you're going to evaluate it and you're actually going to read it. Right. You're not just going to throw it in like the exhibitor you know, bag that you got. Right. So, you know, club Pilates at \$250, you know, a month. Yeah. How many, how many workers does that come with eight per a month? Or is it, is it really unlimited?

Hensley Ellefritz:

It, it really depends. On the market, I mean obviously a membership in Manhattan's going to be different than Scottsdale Arizona, but by and large, I would say two 50 S probably closer to the unlimited membership rate.

Pete Moore:

Right. So why has Pilates been able to hold that price point versus other studios seem to, you know, where they get on class pass or whether they, you know, go on these 1 99 Unlimiteds and then it's like, you do the math and you're like, oh my God, it's like \$7 per visit. Like this, this engine doesn't work that way.

Hensley Ellefritz:

I think I'll use club Pilates as a specific example, but I think Pilates and even similar concepts, if they can prove their viability and longevity and the consumer understands the sustainability of a Pilates routine. Right. Regardless of, if you take two months off and you go back into Pilates, yeah. That's going to be, I don't want to say a little easier, but you can jump back in a little easier than taking two months off of, you know, Barry's bootcamp, workouts. So it, it meets you where you are. And I think the consumer right now is looking for something that's not necessarily entry level, but can be customized and you know, personalized to what specifically they're looking for. And, and Pilates has always been able to meld into that.

Pete Moore:

I want to take a minute and tell our audience about two awesome workout recovery products I've been using for the last 18 months from higher dose.com leader in infrared technology for athletes. Like all of us are, we're an investor in the company. That's not why I'm telling you this. I'm telling you this because it works. You got an infrared sauna blanket. I hop in there, I listen to some podcast, burn 800 calories, get a mad detox and a P E M F, which is a post electromagnetic field crystal mat that I lay on. And I recalibrate my cells to the normalize level, the earth. If you got somebody you like, and you're looking

for a pretty awesome gift, they will love it. You could use this code halo 75, get \$75 off and you will not beat this appointed.com Provo code. KLO 75. And now let's get back to our regularly scheduled program.

Pete Moore:

So jumping into your consulting business and I'll, I'll give an analogy first. Sometimes come, some people come to us and say, Hey, I want to go raise money. Yeah. You know, and then we do the work and we're like, you're not ready to raise money. Do you qual you have a hundred studios that you work with. Gosh, obviously I think I know you already, you want to help everyone succeed. Yeah. And no challenge is, is to insurmountable. Right. So I'm going to do every, so do you take on every client or do you say, Hey, look, I looked at your income statement. Like you got a, of fixed your rent line because like, I can't do anything cuz your rent's like double what it should be. Or like dislocation doesn't have the right visibility. So as much as I can help you. And, and I'm like, I know what I'm doing. And my team of seven could really like do the best we can, like this isn't a business that's going to work and I don't want you to be disappointed. So how do you think about either qualify find your own clients or telling people like, Hey, cut your losses, go over up another location. Or just like just I use this term experience is what you get when you don't get what you want. Now you got a lot of experience. Don't go do something else.

Hensley Ellefritz:

Yeah. good question. Loaded question. So I'll, I'll mention first that the hundred is a hundred studios is over our we've been operating for 11 months. So at any given time, we're, we're definitely not working with a hundred studios. I don't think it's, it's not a cookie cutter recipe. Right? Mm-hmm <affirmative> how I work with a studio or how we work with a studio with 50 spin bikes whose brand new to market is going to be very different from a 12 reformer studio. That's been in the market for three years and has 300 existing studios. And what's your overhead? What's your rent, right? What do you want to be taking in all of that? Going to, I don't want to say indicate or dictate whether or not we can take you on cuz we typically can, but it's more like what homework needs to be done. Right?

Hensley Ellefritz:

Mm-Hmm <affirmative> like, if you don't have a functioning website or you don't have a logo or you don't have a brand identity, then we don't have anything to sell. I can, we can make let's, we can make a manual and we can make scripts, but none of that's going to work if there's no foundational message that we have. Right, right. Right. Or if you say, I want to open a studio, but you haven't even looked at spaces for a lease again. I can't, I can't sell air. So it's, it's not necessarily, we can't work with you, but typically if, if it's premature, we give some homework to do prior or in tandem with our coaching so that it is as effective as it can be.

Pete Moore:

Gotcha. So what are some of the you know, top three frustrations that people have that, that you solve?

Hensley Ellefritz:

I know there are me try and be gentle here. They, they need to compete on price and they need to compete on being on a class pass or a studio hop or a Groupon or something because their competitors are, and they feel like that's what they need to do to get their name out there. And then it's like a treadmill once they're on there, they don't understand how to get off. Yeah. And that can be

cannibalizing their own membership base. So I would say that's not the overarching issue, but that's definitely a, a crutch. We try to look to pull out at some point. Right.

Pete Moore:

Let's, let's stick with that one for just cuz obviously it's class pass mind, body deal just got announced today. You know, class ASPA, the original business plan was to say to the studios, Hey, let me get your excess inventory. You got two or three spots. Totally. And I will I'll help you monetize that. And hopefully I'll, that'll turn into a lead that turns into a member. And then things got off the rails. Like you're talking about where so many studios now had 80% of their members come from class pass. They still have to pay the rent in the operations. They're getting like 50% off their 10 pack or whatever the, the math is and the income statement doesn't work. You know, when you're doing that kind of volume and you're not getting that price per visit. So how have you basically coach people through and say, look, I got to wean you off of this. Yeah. And how does that work? Or do you just pull the Band-Aid off?

Hensley Ellefritz:

Typically we don't pull the Band-Aid off cuz that's like the pulling the rug out from under like that's, if that's your soul or 80% of where you're getting income that's not fair. Right, right. But I think it's getting them to understand that in order to reclaim you or business, you can't be held hostage by another company who could change their terms and conditions at any point. Right. And so it's understanding that we're going to go instead of trying to convert those on class pass, right. Cuz class passers tend to want to stay on class, pass. It's going for a clientele that isn't yet on class pass and getting them to purchase a membership mm-hmm <affirmative> and then getting to that point where you have enough of that momentum financially coming in, that you can afford to ween yourself off of class pass mm-hmm <affirmative>

Pete Moore:

And are, I don't know what the terms and conditions are. Look, we, we like what class pass is doing, bringing in hundreds of thousands of people that would never even step foot in into the studio space. So that's great. And I, I love what they're doing, but they kind of started off as Switzerland and then they turned into like, I'm Walmart. You're like, I'm buying like a, you know, product on my shelf and I'm going to get it for the least price. And I'm, that's how their business model works. When you try to make money instead of burning capital. Yeah. You got to get your inventory cost down. But when you take a look at, at what they're doing, is there a, a path towards really using class pass as a lead generator, as like an excess inventory, you know, Salesforce and then have someone like you come in and say, look, this is, this is how you take a class pass member and turn 'em into a member a hundred percent. And is that, is that like a playbook that you have or is like each one's customized them assuming, but talk, talk us through that.

Hensley Ellefritz:

Yeah. So I mean, when we look at each client will look at where they're getting their leads today what the quality of those leads looks like, what the conversion of those leads looks like. And we'll look at class pass based on digital based versus, you know, member referrals and the numbers kind of paint a picture themselves, right? <Affirmative> they see that we've historically converted three or four class passers, then we're going to get higher ROI focusing on elsewhere. But there is such a high number of class passers that it is diversifying the messaging that you are coming at them with. Right. Cause they don't want to be pitched a membership. They like the bar of class pass. But then also understanding, you

know, if in the future there's an opportunity to perhaps limit the usage of your studio on class pass. Right? Because if I can essentially mimic a quote trial that a lead would receive on class pass, and then I can upsell that class passer to say, you like what you got right in the one or two classes you took this month. Now let's do this twice a week that makes you a candidate for X membership. I think that's where the opportunity is instead of kind of haphazardly trying to pluck at class passers and sell them on your product cuz that's what every fitness studio thinks they're going to do.

Pete Moore:

Right. So in, I don't, I don't remember the name of this, but you will in Dallas, there there's a, like a, a regional class pass studio hop studio hop. So is, is, do you see more like fractions of, or fractions of studios to come together and maybe get, talk about like what XPA is doing or was putting together? I'm assuming you had some, your hand in that as well on the, you know, moving people around in, in the same system. And do you see like in, in another out analogies and like in the movie industry, God bless them. They basically took all the screens and they, and instead of them, each selling advertising, they basically took like the top five studio companies basically like dumped all their screens into a public company yeah. Called like Sy vision or something. And then basically they own, they own that relationship now. Yeah. So how, how do you see this evolving and how optimistic are you about, you know, like a class, an XPA or like a 10 studios coming together and saying, Hey, well kind of create our own little, you know, movement or around the, the system.

Hensley Ellefritz:

I am optimistic. I think as long as those multi conglomerate entities, like an exp pass can keep studio owners at the forefront of who they're trying to benefit, then this can be beneficial. I remember one of the club Pilates owners that we worked with he also owned a cycle bar and he piecemealed kind of a dual membership mm-hmm <affirmative> and I was like, God, what's, that's such a good idea. And it could be done at the independent studio level. Right. Like if I have a neighboring yoga studio and I'm a cycling studio, that's an incredible benefit for my members to be able to sell like a dual cycling and yoga because you'd do get to the point. Ideally if you're, if you're a high functioning profitable studio where you don't want your members to come every single day. So to be able to say, Hey, on your off days, you can go to X right studio and we have a partnership with them. I think that's where we will see, I don't want to say the, the independent studio industry move, but they'll need to come together in that regard to be able to compete with the X passes in the class, passes in the studio hops without, you know, bleeding themselves dry.

Pete Moore:

Right. So going back to one, one thing that you said before when I started this industry 20 years ago, one of the big marketing tools was before and after pictures. Yeah. And actually those speak a thousand words, right? Yeah. I want to look like that. And you could, you have a path to, to get me to those types of results and then things just kind of got based on price then things maybe just got a little weird, like you didn't know what people were advertising and like what their goal was. Maybe they're just trying to drive traffic. So what, what do you, what's like the basic building blocks of these people want to get at results. They want to change their life lives, mental, physical, what have you, and get down to like the DNA of like what what's making that, that purchase decision, why they walk in here? Like, I don't think a lot of people qualify what somebody wants and you kind of touched upon that. I just want you to expand on that. Cause I think it's really important. Mm-Hmm <affirmative> that I don't want to just sell you membership. I want to know what's what's going on in your mind right now. What can I help you with? Totally,

Hensley Ellefritz:

Totally. And I think it's, it's like I use, unfortunately like either the sorority analogy or the football analogy, like the Ravens do the same thing as the Niners do the same thing as the chiefs. Right? But like, why do you, you, why are you loyal to one team versus the other? And it's because you somehow resonate with that community, right? So they're not selling you football, they're selling you like these are like-minded individuals who will surround you and get behind you and you can share with, and I think that's, that's where we have opportunity as fitness studio owners is to me, our, our lead or our client where they are and show them, you don't have to try to be part of this community. You AI already are. You already relate with us without doing anything differently. And if you can break down those barriers because fitness does have this connotation of being everything you said, right. Image, centric, and price driven. I think if we can just focus on relatability and the emotion that comes out of that, that's when this whole sales process becomes a hell lot easier. Yep.

Pete Moore:

I gotcha. So in closing here you, you got to, you got to get put business quotes or any kind of life quotes that you like to think about or tell people, or you got a list somewhere in your phone,

Hensley Ellefritz:

Maybe. I think it's cliché, but this industry is so saturated that fitness owners are clamoring to make it evident why, you know, their yoga studio is better than the yoga studio across the street. And so I think just focusing on selling the problem you solve and not the product you have, so what's your, why not? What's your product.

Pete Moore:

Got it. Awesome. Well, thanks for everything you're doing. You're helping a lot of people get through this this crazy time, but I feel like we're on the tail end and I think we're going to come back stronger. So look forward to working with you and thanks for coming on. And halo talks. Thank you, Pete.