



**Complete Transcript: HALO Talks with Robert Jackson
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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 wrote this book over the last year. I think you're going to love it. Good to great meets wears Waldo pick '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 halo talks. N Y I have returning for his second podcast straight from the San Francisco area used to be an entrepreneur. Now he is part of a larger entity because he built something that's pretty awesome. So we got Robert Jackson fitness, BI slash ABC fitness. Good to see you back.

Robert Jackson:

Good to be back.

Pete Moore:

Awesome. So when we first did our podcast, we were talking about the need for reporting and data, and you were kind of just in, you know, the early stages of getting people onboarded. So tell us what happened. Since the last time we spoke, how that kind of ramped up and what the you know, what the reason was to do a deal with ABC and how that, that deal's playing out. Right.

Robert Jackson:

Right. Well, last time we spoke was 2019, right? Yep. Before the, you know, the, the pandemic and everything that happened there. So I think that March, 2020 was the first time I had a break where all of our CFOs were either on freeze on hold or had been let go. Right. Right. So I got a month where it was really quiet for the first time in probably 12 years for me, 15 years. And it, it really made me think about, you know, burning the candle at both ends first.

Pete Moore:

And you were doing like two. Yeah. And you were run two companies, like in parallel the same with form of

Robert Jackson:

Jim as well. That's right. And, you know, former Jim took up a very small amount of my time cuz I made some great hires there. Yeah. Yeah. But your dad, no. Well, yeah, Ralph garage is, is another guy that

we, we brought on Don. Remember? So yeah. It's, it's a burning the candle at both ends from customers calling all the time, you know, B to B SAS business took me by complete surprise. Like the, the club business. We're trying to fill up the club as much as we can. Right. It's never question of, you know, I've got too many customers, I've got too much growth. It's a matter of let's fill up as much as we possibly can. Let's get that marketing completely D and, and there,

Pete Moore:

And there're full four walls to it. It's somewhat controllable, right? Yes, exactly. Software's

Robert Jackson:

Not supposed to be controllable. No. And I mean, it's, it's a, the huge difference is, you know, for club owners out there, imagine that one of your members is to comp compose this 25% of your business. Right. Right, right. And that member, if he complains, are you really going to just kick him out? You know? So it changes the ballgame significantly. Interesting. And I B2B software as a service. It's, it's a different, different ballgame. Took me average by surprise. I made sure, you know, two years in the first two years were definitely ramping massive growth. COVID hit, got a little bit slow. And then all of a sudden, everybody wants to know about their data. Right. Because cause they have time think actually, right. Well, yeah. I mean a break. So we got some of that break. Okay. Let's work on our reporting. And fortunately we had good clients that were Mo mostly private equity backed that could afford to keep it up and running.

Robert Jackson:

Yep. But at the same time, a lot of the other enterprise companies that hadn't had a solution before people like blink fitness, people like planet fitness is some of their franchisees there said it was a good time for them to implement a solution like this. Right. And data changed drastically in a month or two, the questions that people wanted to ask changed, interest, strength, everything changed, you know, instead of knowing how many joints we had, they want to know how many joints came back post COVID. How many people are exercising post COVID, who are the people that are not on exercising? Can we target that specific demographic? You know? So we did a lot of work across a lot of different companies and trying to figure out who these people are that haven't come back to the gym that they can target and what, the reasons that they're not coming back forward.

Robert Jackson:

So it changed the game drastically freezes, you know, people on hold, you know, the result of that is that business really ramped up significantly. We got some really good clients let's say in, you know, that leading up to the acquisition. And then we got approached by a few different software vendors and ultimately ABC's vision of what they're accomplishing and wanted to bring to the industry. It was what sold me. Yeah. You know, I'm a kind of guy that what I want to do is bring lasting change and make an impact. You know, we all want to make an impact. I'm at the point in my life where I want to build something cool. Impact, you

Pete Moore:

Build fitness BI based on your own like personal frustrations at the time. Right. So, so it's kind of like any really strong software company is kind of like take what's in your brain, turning into code and saying like, okay, I solve my own problem. I know every else has the same problem. Let me go

Robert Jackson:

After it. That's right. Yeah. So I launched fitness BI at SA and I, I built it with a hundred thousand bucks. Right. Yeah. 50,000 went into marketing. I was your conference

Pete Moore:

Room. I remember. Yeah, that's right.

Robert Jackson:

And so I think I had my dad in the background, like populating Excel reports to say, okay, Hey look, the data just changed. And it's refreshed. I think, think

Pete Moore:

My dad could do that. I'm not sure what my mom would ready for the, for the Excel. She's still trying to figure out how to use an ATM machine. I love her to death. But's old school. Right. Right. So, so, you know, fast forward here, you get approached by a couple groups you decide to, to enter into a deal. There weren't

Robert Jackson:

That many took five months. You know, it wasn't a, it wasn't as quick as I thought it would be. I mean, the due diligence that Tom Bravo does is no joke. I mean, I've always heard that from my other buddies in, in the equity space that, you know, if you want going through the due diligence process will make your company way better. Cuz you get to understand what actual private companies are looking. Yeah.

Pete Moore:

That's what a lot of people say when we're, when we're going through the front. End of putting a book together on, on selling a business and you start asking questions. I remember Brad and Ty loved that guy to death. Yeah. He had 17 clubs and I had my head analyst now as a principal working on the deal and he would send back Brad, you know, these reports of like of slicing the data, looking at the KPIs. And Brad's like said to me one day, he's like, man, I understand this business so much better than I did before you guys got involved. Cause I'm looking at it differently. Maybe I don't want to sell it. Right. Right. I'm like, let's stick to the path. Let's get this deal done. You got it done. If you, if

Robert Jackson:

I knew now what I, before this acquisition, how, what, what people would value out of my business. Yeah. It's really interesting. It would drive valuation. I mean hands down. So like having a guy like you, having, having, having halo, I mean, that's, that's the, if I could say like one huge benefit from engaging early yeah. Is understanding what these guys are going to value your software business on. Yeah. And how can I drive or revenue to those areas and focus if that is your ultimate end goal. Cause if your ultimate end goal is to like be as profitable as possible, that's great. Run a freaking great business, do it the way you want to do it. If your ultimate goal is to exit, you got to consider these things. Cuz ultimately we're all looking for a bigger exit. And if you got to know what the values are and, and play to your strengths, you

Pete Moore:

Know? Yeah. I mean, especially when you're dealing with companies that are for our audience here, you know, you're dealing with companies that are valued on a multiple of revenue and that SAS monthly is, is basically like the lifeblood of the valuation. Yeah. And you know, you could say, when you start the company, you could say, Hey, I'm going to do this as a SAS model and that's easy. But there are certain companies that try to create a SAS model, but it's just not a SAS business. Right. And you know, they try and shoehorn it in and then when somebody like an ABC or DACO somebody else looks at it, they're like, Hey guys, like there's not really any recurring revenue here. It's like a transaction business and you

Robert Jackson:

Got to that's. Right. And, and I mean also who are the customers, right? Like as a SAS business, you could load up a bunch of customers, a lot of small customers. Yeah. Enterprise customer, as mid-size for us, we had to come to have that a real come to Jesus and say, what is it that we want to focus on? That's going to bring the highest value to our organization for the long term picture, but also for the post, you know, the, the pre-acquisition picture and customers that we had made the biggest difference in valuation. Right? Because it was just a one off clubs. Even if the revenue was four or five times higher, we still wouldn't have that value. It's the idea that we had big name brands, cuz those big name brands bring a lot of revenue without a lot of hassle. And also they brought a lot of value intrinsically to the other organizations that wanted to buy us. Sure. So you know, it, it was, we were unique in that aspect. Very, very unique. Yeah.

Pete Moore:

So when you think about, and I'm sure this was kind of part of the diligence and we've done a lot of software deals. I looked at a lot of software deals like, Hey, this is an awesome SAS business, but it's not mission critical. Right. That you go through the usage data like, Hey, these guys haven't logged in. That means this. Like these guys can be replaced so they might turn it off at some point. So how was the, you know, this explosion of like, Hey, I want to look at the data. So you could basically show 'em like, Hey guys, these guys are logging in every day that I'm mission critical. Now this isn't like a, a, a neat, a nice to have. This is like, I am like part of their decision making process. Right?

Robert Jackson:

Yeah. I mean like in general due diligence, get ready to like take down your pants and be exposed on everything. If the company's right. If they're truly interested. Yeah. They're going to do their homework and you know, it's, I can't tell you how many times I've been like, whoa, is this what I'm really going to be giving up? You better be ready to make a decision because you're going to give up a lot on your business and be ready to expose everything. So yeah. Yeah. You know, this happened for us kind of fast. So I, I probably wasn't as prepared as I should have been you know, working with you in the past helped us prepare a little bit more than

Pete Moore:

What we, but look, you got, you got it done. That was

Robert Jackson:

Awesome. That was it. You know, you get it done. Got it. Through the hump, you know, took three months of due diligence. But at the end we came out good. And, and at the end we were kind of a unique situation. We had a good customer base. They already knew our customers. They had already

known that they were using us. You know, there, there was a lot inherently that all these companies knew ju just

Pete Moore:

For the, the listeners here to kind of like get into your psyche like this will be somewhat of a loaded question. So pick whichever one you want. Sure. You know, one is ABC, Daxko MINDBODY. Those groups. Don't like come around every three months. Like they come around, they want to do a deal. And if they, you don't want to do a deal, when they want to do a deal, they might not be a deal in the future and they might go crickets on you. Right. Or they might find something else. Right. Or they might build it themselves. So one is, and one of the chapters in the book is the, the, the analogy of like take the points. Yeah. You know, if you're in the red zone. Yeah. Like just take the points because the work that you're talking about the five months or three months of diligence, like they've got to have people and they got to be focused and they can't do five deals at a time. Exactly. So if you're the deal, like it's all hands on board. That is

Robert Jackson:

Such a, a good point. And I probably didn't have that advice early on. And I would've loved that advice early on because, you know, but you got it done. Doesn't come around. Yeah. Yeah. But we had some opportunities early on too, and we didn't get those ones done because we held out and I, I, I believe that it was the right decision to hold out. I think you're in a good place right now. That's sure we're in a great place right now. We had a great deal. We had a great exit. I mean, we returned massive value to, to me and my partner. That's great. So it was overall, it was a great deal. I think we got a little lucky during the time with some key customers that kind of drove our valuation up. Yeah. But otherwise no, you know, it wouldn't have gone that high, but at the end of the day we built a product that people needed and the, the management companies and furthermore, a, all of their clients saw the value in it. So yeah, sure.

Pete Moore:

And then, and then to kind of touch on another point, if you said, Hey, I'm just going to go this alone or I'm going to keep this as like the you know, the Jackson family, right. SAS business, and I'm going to hold this, you know, what kind of pressures? And you kind of talked a little bit about this, but like, what kind of pressures were put on you? And I used to run a software company and it's like always wet, you know? Yeah. Like the code's never done. Like somebody else has got something else. And you're like on this vicious cycle of like up updates all the time, like, was it somewhat of a relief when it's like, Hey, now I actually got, like, I got a, you know, the backbones of like a \$500 billion business. That's going to help me get through this cuz that that's not easy to do.

Robert Jackson:

Oh, absolutely. And I mean, we were approached by several different companies and I won't say like, who are yeah, don't but some of the concepts were, Hey, we'll buy you, you run it. You know? So basically we'll leave you alone. Yeah. Just leave me alone. It's not like we're going to increase the budget a whole heck of a lot. Cuz they're buying based on value in driving revenue without, you know, that much additional, extra spend that those concepts, even at like, you know, 10 years of, of payout didn't make sense to me because it's not what I wanted to do. Yeah. You know? Sure. I'm still going to be having the same headaches every day. The same burning the candle at old sense every day. Yeah. Company like ABC and the vision that we have there is to create a fully integrated solution. And that's

what they're doing. They're buying these companies and truly integrating 'em, which means that I've got people taking care of DevOps. I've got, you know, security. You've got, if people that are taking care of all our cloud spent. Yeah. You know,

Pete Moore:

Obviously payroll and you're an entrepreneur and you're like, okay. I got to learn how to do this. Like oh yeah. Yesterday. Right. And then you're like, okay, these guys actually do this for a living. Like that's I like that.

Robert Jackson:

Yeah. It's huge. It's huge. And you know, it, it created a lot of value for me personally. And I mean, they, they made it worth our time to, to, to, to be here and see the future of the product. I mean, bill really set a clear for what bill and Ryan packer, the chief product officer there set a great vision for the strategy of what we're trying to accomplish in the next three, five years. And I'm on board. I was, I was fully on board. So at end of the day, they, all the prices came in very similar and it was kind of weird how that happened, but all of them came up to what we wanted. ABC just did a much better job of winning me over personally. Yeah. Right. They were more invested into it. There's

Pete Moore:

Definitely an art to getting that entrepreneur, to do a deal with you and, and the, the level of trust. And you know, obviously got a lot of brand equity. But I was working with a friend of mine from business school and he had he just did a deal. He's got a strategic consulting business, not in a halo sector, but he had four private equity groups, you know, basically bid around the same value within like three to 5 million bucks. Right. And one of the groups out of LA that did the deal, they made like a seven minute YouTube video where they were like in a park and they were like had signs up, be like, Hey, we really want to do this deal with you guys. We're really your partners. Like here's my personal background. And that seven minute video, they won the deal.

Robert Jackson:

Yeah's what it takes. I mean, you know, we all want to sell to some, like if you're going to myself, I haven't had a job where I worked for somebody since I was 23 years old. So

Pete Moore:

You get a paycheck every two weeks now must be

Robert Jackson:

Bizarre. That's weird. I don't even see. It just goes into a bank account. It's you know, good for you. It's not what we're chasing. Right? The pay the paycheck is not, what's

Pete Moore:

Chasing kind of funny. It's kind of funny now. You're like, oh yeah, I'm actually, I got a job. I like work for someone you like probably vouch to yourself that that would never happen now. But it happens for a good reason. I

Robert Jackson:

Have said stuff like that before or in the past. Right. I know I have. Yeah, yeah. Right weekly until I never wanted to work for somebody. That's why I started my own business. Right. Stuff like that until a deal

Pete Moore:

Doesn't close. It I'm like you don't, it wouldn't be bad to get a paycheck every two weeks. Like someone else deal with the problems.

Robert Jackson:

And I mean like as long as the freedom is there to really build like what, again, I wanted to just build cool stuff. Like a lot of New York people that built software before. Yeah. We want to build stuff that actually makes an impact. And the way that I saw it was with the resources behind us and with the things that we're doing at ABC. I mean, we're going to, we're going to build something. That's going to change the industry.

Pete Moore:

Now what happens with does a name fitness BI live on, does this become like the BI, ABC BI? What, what's the plan on that? So

Robert Jackson:

We're trying to unify the whole platform because we don't want it to seem like so many different pieces within it. We just acquired 'em and now they're just operating separately. So what is the benefit really to the customer I'm still paying for it. I'm still, you know, so we're unifying everything underneath the ABC ignite brand. Yeah. That, that we launched at ERSA this year and insights, ABC insights is the reporting platform that's available for free are all customers, right? Oh wow. Of ABC. Is that a freemium to customize is if you need additional data sources. Gotcha. It was the classic fitness BI. And in fact at SA today it's still fitness BI because the brand recognition and selling tech customers that are outside of ABC's fold. Got it.

Pete Moore:

And then just one question on like the competitive dynamics are other companies that are on other billing systems, still using fitness BI. Yeah. They are. Yeah. And, and that's going to,

Robert Jackson:

I mean, we have great relationships with those customers and the customers are fortunately enterprise customers. And you know, if you're an enterprise customer, you're going to get what you want. Right. Right. If you want pick the best in class, including if you had ABC and you want to go use some other soft where to do

Pete Moore:

Somebody, that is a good thing about the industry. I think everyone understands like the customer's decision is the one that we're going to accommodate.

Robert Jackson:

Exactly. And they, they know that and I haven't had any pushback. Nobody wants to be the guy that says, no, you can't use this. And then they lose the customer because of that, let's let the industry pick

the best of each thing and then integrate it. Yeah. You know, that's, that's our, that, that's my personal philosophy. Right. Gotcha. Yeah. And I think customers are becoming more and more in tune with that and they, they want that ability to be able to pick the best in class. Gotcha.

Pete Moore:

So are you still running an office up in San Fran? Are you down in Dallas Waco area

Robert Jackson:

Or what, what do you no. I mean the whole company's virtual the whole company. Oh, right. So we have office in Dallas and a lot of our tech team is here, but with COVID, you know, we made, there was a just before my time, but they made a policy to be all virtual. Now I tell you the building culture in a virtual world, somebody's going to have to figure that out because that is not easy. Right. Like I'm a guy that's used to, that's a billion dollar

Pete Moore:

Idea right there. It sounds like you've

Robert Jackson:

How do you do it though? Because you know,

Pete Moore:

Personal interaction, maybe like those, maybe with those Microsoft team, like avatars where you and I can like walk around,

Robert Jackson:

Put the virtual thing on thinking about that too. Right. Like just put it on and be in a virtual space. But I mean, geez. You know, then you got to wear headset,

Pete Moore:

You probably bumping into walls and like, yes, you stepping on your dog or something big organization. Let's let somebody else figure that out like that. Right. It's too much for us right now, especially that we you're just on a podcast riffing probably shouldn't quit our day jobs to go and do that. Right. Yeah. Right. So, you know, what do you, what do you, so you're spending your time, you know, head of this division within

Robert Jackson:

And ABC yeah. Data insights. So, gotcha. I adding up all the, all the data initiatives at ABC and building the, the future of, of our reporting platform that is going to take over what we have exist in today. So this is exciting, exciting stuff. That's

Pete Moore:

Awesome. So one of the things that we try and do, because we get a lot of data from different companies that I can go impair, I, I like basically code everything, but I can say like, okay, a planet fitness does from their F DD, you know, 2 million of revenue, 698,000 of four, four wall EBITDA, X amount of

square feet, two square feet per member. Right. All that kind of jazz. Yeah. Is there in your system right now? Or is there going to be say like, okay, this is where you're at. Here's like your index. Yeah. So

Robert Jackson:

We're actually building that across ABC. No, traditionally we haven't.

Pete Moore:

It's already been built, so I'm not going to get anything out of it. No, it

Robert Jackson:

Is being okay. Fine.

Pete Moore:

I'm just camera. I see. Oh yeah. Good idea. Yeah. We're oh yeah, yeah. We're building that. It's already. Yeah. Oh yeah.

Robert Jackson:

Benchmarking. Right? Like that's what we're talking about, you know, so we are doing some, we shared this year at I side. I think we shared for the first time industrywide data. Yeah. Which was kind of cool to me. I got to be part of that of, of figuring out what would be interesting about the whole network of two 25 million members. Yeah. What's going on in the last three months, six months, one year, you know, amazing across joins cancels, freezes. So that's been that, that was a really fun project, but we're going to start sharing more of that data at ABC. And then we have a benchmarking as part of our roadmap benchmarking across different segments, different customer types, different high price, low value.

Pete Moore:

I feel like that is really, you know, when people need to understand how they're really doing. Yeah. Like there's nothing better than being able to say, okay, gimme like a real competitive set. Yeah. Yeah. Not just like, okay, this includes every planet fitness, every lifetime, like that's not right. I don't even know where I fit in on the KPIs on that sense

Robert Jackson:

You need, what we're working on is the platform needs to be able to take in data from the operator to say, this is a 30,000 square foot location, low price, high value model in an urban city. Right. You know, with a walkability score of X. And then what's my comparative to that exact thing over in California, in Georgia, in the same state,

Pete Moore:

In the same region. That's that that's, I mean, that's like liquid gold as far as I'm sure.

Robert Jackson:

Just really, it gives you insights to how you're performing versus the others across check-ins usage, you know, joins all of those things.

Pete Moore:

We got a slide in, in, in one of the decks that we're working on right now on the software side. And we, we made it very clear that if private equity is like proliferating across the bricks and mortar and the enterprise side and the, the franchise war side, like these guys are just, they want data and they want to be able to cut it and they know what quartile I'm in. What do I need to focus on? And then kind of rely on you to say, Hey, what, what should I focus on and what matters? That's right. I feel like you guys are becoming almost like a, a, a business decision tool in addition to collecting my money.

Robert Jackson:

I mean, the idea behind fitness BI was build a platform that all operators can contribute to. And based on those contributions of building out what they want to see. Yeah. We picked the best and best practices and give somebody a full playbook. I mean, that was my whole business model. Right, right, right, right. Get up somebody up and running in a BI solution. That's built off of the best operators in the world. Sure. They're going to get their playbooks. Right. And it, it works really well. Some operators don't want to have the playbook ready to go. They, they know what they want, but I tell you what private equity, they love. 70% of our clients were private equity don't and it used to be 0%. Right. And all of a sudden planet just starts getting bought up by all these private equity firms. All the franchisees are getting taken.

Pete Moore:

It's interesting. All private equity. Yeah. It's so interesting because, you know, I used to sell software in this industry from 2000 to 2003, and I used to get like 50, a hundred bucks a month per club, no matter what I provided. Right. Didn't matter like a hundred bucks. That's the most I'm paying for anything technology related. And then you get these private equity guys and they're like, okay, so hold on. So I can get all this for like 300 bucks, whatever, like some crazy number. And then they got some auto dealership company or out some other company where they're paying like Domo, you know, 90 grand a year or something. Yeah. That's to run like crystal reports. Right. You know?

Robert Jackson:

Yeah. That prices amaze you. And you know why they're exp I know why they're expensive because that's what we do. But, you know, so private equity had a huge influence on us. I mean, huge. I've got customers that when they got bought soon as they got bought, all of a sudden, they upper professional services arm by four X, right. Like we need three people on our team full time to produce all of this data that we want all the time. And the data needs just became so much more so. And I,

Pete Moore:

And I think also just, just to, to close out this one point, yeah. You being able to provide that almost like allows them to get these decisions and get this analysis without having to have like a data scientist that doesn't come from the fitness industry. So doesn't really understand the business. Yeah.

Robert Jackson:

Most of these guys have a data scientist in house that's working on like 20 different businesses. So it's, he pays attention to it. He'll provide some idea, but it's hard to implement with a guy that,

Pete Moore:

You know, well, I'm hoping that the data scientist in our industry at these companies turns into what a CFO usually does is like interpret the numbers. Yeah. Don't just like deliver 'em. I want to know what it

means. What's interesting about this. Yeah. What does it mean? What do I do next? What are the trends that are important? And, and why like every private equity guy wants to know the answer, why that's right. And sometimes it's like, oh, we sold 110 memberships. You know, we were on track to sell 120. And they're like, what happened? Like did, I don't know if I could tell you what happened on 10 memberships, but exactly. I get it that you're asking the right question, but

Robert Jackson:

Happens. Right. It's intuitive. Like we are building out that analysis, intuitive side. We have a tool that does some of that. Right. Like look at the data and then tell me, what's interesting about it. Find influencers on a specific metric. Like I have cancellations, what are the key influencers there? Oh, well, 26 to 34 had a 20% increase last year, over this year. Interesting. It's automated in that way, in fact. But, but different organizations have different goals, right? Like I could tell you net membership ad, right? Your volume on joints, your volume on cancels members staying longer and paying longer managing those three things. Plus cost management. Yep. I mean, that's our whole business, right? Yeah. Ancillary service paying longer lifetime value and net joint. But what does that all break down to? I mean, it's different for every organization, cuz I could tell you private equity funds that are in high growth mode, they're more worried about site selection than anything else.

Robert Jackson:

Right? Right. Sure. If they pick the right site, they got the model, they got, they know what they're doing. They need site selection tools that allow them to say this is a 90% chance that this site is going to be successful in the first three months of presale. Yeah. You know a guy that's not on a growth path, needs better analysis around what's happening in the club. What's my attrition numbers. Why is it going down last month? I had a hundred cancels. Where did they come from? Are they people that for pre COVID post COVID linked to stay, you know, all those questions that you got to get to traditionally, we just have not had the tools in the industry to answer those. And that's what fitness be, did all for a lot of customers. That's great. But it took off. And then, you know, the

Pete Moore:

One thing about site selection, I think I might have said this on one other podcast, but you know, when you get a report from Buxton, it tells you like, Hey, there's 30 clubs you can build in Dallas. Right. They also sell that same report to like 10 people and there's not 300 clubs. That's right. That's yeah. But just make sure you competitively got Steve numbers. No

Robert Jackson:

Go crazy. We've built some site selection tools based on, you know, existing data that these customers have. Like if you have 15 clubs and you know the performance of those clubs. Yeah. The key is though that did they have the data around those clubs? Did they track how much money they spent on the buildout? Did they know the exact data, their presale? Yeah. All these factors play in then bucking gives us walkabilities go or is likelihood to be exactly like this other location, you know? And then we can do some really good site analysis, but it's never a perfect, you know, nobody ever knows the exact science to it. I mean again, 90% would be great. It's more probably like 70% depends on the company. Right. But everybody's got some dogs. The one

Pete Moore:

Thing that, the one thing that that I've said a couple of times over the last couple weeks is no one's ever said to me, I got this great location. I got this location. It's right next to a whole foods. That's true. Next to a Sprouse next to a trader Joe, if you don't want to do any work, go as close as you can to those guys in the same parking lot. They're it all, they're not higher. Fitness is BI. Right.

Robert Jackson:

Right, right. Yeah. I mean you piggyback because I guarantee you whole foods has a site collection tool. That's probably pretty advanced, right? Yeah. I hope so. It's the good idea. Follow them, you know? Yeah.

Pete Moore:

Yeah. I said that back in the day with like Brock ran, I'm like, Hey, these guys at home Depot, they got to have better tools that we do. Like just follow them around where

Robert Jackson:

The neighborhoods going exactly. Go in the same area. Just make sure the parking's good. Exactly. Right. Whole

Pete Moore:

Foods parking suck. Well, the funny thing is for people that haven't been in this industry for a while, there used to be prohibitions on health clubs in target

Robert Jackson:

Centers, Depot. I ran into that myself. Yeah. And they'd be like,

Pete Moore:

No, we don't want these people taking up all the parking. Now they want us in there because we're bringing the traffic. There's nobody in there times have turned.

Robert Jackson:

Yeah. I mean, I dealt with that with the shopping center we tried to do in Dublin, California, you know, it was going to be our third club and the guy turned to stand and said, the other owners don't want to deal with the parking issue. And I'm like parking issue. Now, two years later, party benefit, maybe

Pete Moore:

Traffic benefit.

Robert Jackson:

I mean, building was vacant that building was vacant. Next door went vacant. Yeah. And the one across from it went vacant all big by ox players, all long term leases. Right. All long term lease. I mean that it's cha the real estate landscape is significantly changing. COVID through that into hyper mode. Right. So there's going to be some huge opportunities for real estate growth. They're not going to last for long, but I don't think we've seen the end of it. I

Pete Moore:

Mean, I think there's like another shoe that's going to drop here over to next three to six months. I'm already getting inbound calls saying like, Hey, my business is just not coming back right now. And I'm kind of, I'm tired. Really going to do just

Robert Jackson:

Tired. Yeah. You know, well think about it. I mean, I've gone through that myself. Like 10 years I spent building this business, you know, we built a \$10 million business in two clubs. It took a long time to do, and it's hard to build that up and boom overnight. I know to wake up one day and it's like, what? We're closing. Yeah. What I going to do? It's only two, right? Yeah. Thank, thank God for thank God. Well, I can't imagine if I was only three or four years into the business, I would've closed. There's no way I could manage it. You know? Cuz we had to, you have that then thank God for the government and everything they did to step up. No, the

Pete Moore:

Like, I don't think people fully appreciate that this economy be like Armageddon right now.

Robert Jackson:

People. Yeah. I mean, those businesses would've been closed. Yeah. And I mean landlord, our landlord in San Jose, we don't own the building. There has been really, really great to work with. I mean, they didn't have much options though either, so yeah. Yeah.

Pete Moore:

Sure. So in closing here one, great to see you again, man. I'm really happy about your success and I'm glad things worked out the way it did. And I'm glad you have a, a, a day job now and, and, and you can spend some more time with your family. Give us one or two business quotes that you know, float your throw your float, your optimism.

Robert Jackson:

Yeah. So last week was at the planet Fitnesses independent franchise council conference and they had one of the best speakers that I've ever seen. Walter Bond. If you haven't checked him out, you got to go check him out. But he said some cool, a great, he would give a great presentation for him. NBA player pump me up so much Walter, but he said, said two things, Walter Bond yep. Said two things that really struck out to me. One was, do you have core values for your family? Like he grew up and his dad was part of the whole segregation movement, you know, fought for everything he could. And his dad's core value was go get it son. And his mom's core value was son just be sweet, you know? So contrasting views, but he built his whole life on that, on those two pillars. Yeah. I mean, and it made a huge difference, a huge difference.

Robert Jackson:

And, but they, but they truly believed it and acted it every day because it's not about what you do or what you say it's, it's about what you do. And he said, one thing that really just hit me so hard, some kids misbehave, you know, and they're rude and disrespectful. Some kids have us lost respect. Mm. So when you're given all the orders, thinking about how disrespectful my kid is, they are looking straight in that rear view mirror when you're on your way to school, looking right back at you, seeing what actions you're taking and your daily life. Sure. And that is you know, it's something, something to think about, man, if you want great kids, do you have core values for your family? Yeah. All we always talk about

business, but yeah. I'm with you, you know, it's important. So I loved that. It was, it was awesome. He was a, he gave a presentation on, on, you know, being a shark, but the shark wasn't the way he thought about it. The shark was the big fish that gathers sucker fish around, lets them suck onto him and take him for a ride for where they, I could never go. Interesting. So that was cool. Great, great. Like great conference, like the analogy.

Pete Moore:

All right, man. Well, great to see you again. Let to let's keep in touch and I'm glad that

Robert Jackson:

Everything worked out. Thanks man. Awesome brother. Appreciate it. Good to see you.