



Complete Transcript: HALO Talks with Eve Nasby
Posted March 10, 2023

Pete Moore:

I want to thank all of our listeners for several years of dedicated and loyal listening throughout the Halo Talks 400 podcast completed to date. We're going to a thousand by 2024. If you're so inclined, we'd love to have you go to iTunes for us, fill out a review so we can keep this podcast rolling globally. We are now on Charitable's top lists and moving up the charts. Also, if you want to educate yourself in a new year, please go to the haloacademy.com. Take a look at what'll be done with 150 executives in the halo sector to get them smarter, get them prepared for capital raises, and also more winning. Thanks, have a great season. Let's go. This is Pete Moore on Halo Talks NYC at the pleasure of bringing Eve in from band of hands, which is going to completely change the way you think about talent management and how you're gonna run your studios, health clubs, and halo-related businesses in the future and in the present. So, Eve, tell us your story and how you came to come up with this type of business model.

Eve Nasby:

Pete, you're awesome. Thank you so much for that great introduction. We're gonna keep you and maybe they could double your wages. <Laugh>. Okay, I've got a fantastic opportunity. He's like, yeah, maybe not. We've got a fantastic opportunity to help everyone thrive. Small business owners out there are gonna love this. And the reason they're gonna love it is because they don't have to be an employer any longer. You can be a firefighter and you can start your own business without having to worry about unemployment claims, workers comp claims, wage and hour claims, especially in the state of California. We take care of everything. We offload and mitigate the risk of being an employer and we put it on our shoulders. So you can focus on bringing more members in your studio, selling more widgets. You can do what you got into business to do and what you love to do, what you're passionate about doing, and leave the rest to us. That's what we do.

Pete Moore:

A, as you think about, you know, starting a business, you know, the reason to start a business is to gather people together to solve a frustration. So talk about some of the things that you see, what it's gonna free people up on, and how this is gonna redefine how operations are set up and what your labor expense is, or how you have to put more resources towards HR or player personnel as we like to say.

Eve Nasby:

Yeah, that's a great question. You do start businesses. You gather people together to solve for a challenge. To solve for an issue that's happening on the planet. And band of hands is definitely that. We came together to solid issue for small business owners, or 98% of all businesses in the United States of America are small businesses. They have less than 50 employees. And what they get are getting into business to do is to make a widget, is to help somebody's quality of life be better. Chris, help somebody lose weight, get healthier. That's why they're in business. It is not to make sure that every single box on your 10 99 is filled out properly. Right? It is not to ensure that people are doing all their onboarding off boarding paperwork correctly. And it's certainly not to spend time in a courtroom when you get their time off request wrong.

And that's what's happening right now in our very litigious society. So what Band of Hands does is we come in, we take care of all of your employees by making them our own. We roll out the red carpet, put on the white gloves, we make your employees, our own employees. You still get to tell them where to show up, what to wear, what to say, how to act. We do all the back office stuff. We're the squirrels on that little ball in the background, making sure that they get paid on time, making sure they get benefits, which you don't have to pay for. And we also make sure that they get everything else that they need from an HR perspective, a payroll perspective. And you don't have to worry about any of that. We take care of 'em.

Pete Moore:

So when you think about this business model is, and you could disclose this or not, but is this being deployed in any other industry where you said, why are we not doing this in this industry? Or did you say, you know, the entire staffing and labor market in the US is being mismanaged or both?

Eve Nasby:

Yeah, so the entire, it is a challenge to manage your staff these days. People lie awake at night wondering, well what if I missed this? What if I don't do this? What am I'm gonna suit for that? There is a huge challenge in the United States right now with the small business owners to make sure that they got it all together. And that's something that we absolutely solve. Or we make sure that every I is dotted and every T is crossed so that they can focus on bringing those new members in. Nobody is doing this and here's what staffing agencies do. So I own staffing agency, I will charge you a markup above the pay rate, right? We also function as a P E O, the PEOs become the employer of record. We also function it as a payroll company and an HR company. All of those are gonna cost you money, period. They're gonna cost you whatever the cost is for that HR person, whatever the cost is for the payroll, et cetera. We, for \$12 per person per week, do it all for you. So you don't have to worry about darkening the door of a courtroom, you don't have to worry about somebody didn't get paid on time. We take care of it all and that it's only for \$12 per week. A person.

Pete Moore:

When, when you look at the recruiting side of this or, or the front end, just so I can explain this to others, if I'm a studio operator, I'm going to do my own hiring and then basically arm board them at the band of hands, or do you have either now or in the future, you know, basically like pre-approved talent that you are gonna be, you know, a lead generator for them as well? Explain that part.

Eve Nasby:

I love that question. We take all of your employees or one you can put 'em all or just one on our platform. You can also go through our platform to identify new talent. We have a funnel and a pipeline

of talent on our system already, already pre-vetted and you've got stars, they're background screened, all of that. So you can pick and choose who you want to work for you at any time. They can also move seamlessly across the organization if they wanna piece together a full-time work week. If you're a multi-unit franchise owner, our system is perfect for you because you can take me and put me at all your different F E I Ns and I just get one W two at the end of the year. And I also, of course get benefits. So you as a business owner who's not giving anybody benefits right now, because you have to pay for them, you're not letting them get over 30 hours in a week.

Pete Moore:

Yeah. My buddy and I owned a small business selling coffee and, and sugar donuts. So I've, I've graduated from that part, but we actually took some of our best employees, unfortunately this was years ago. It said you could only work 29 hours a week and we're basically excluding some of the best talent because of the inefficiency or cost of getting them to a full-time employee and benefits and the other, you know, quote unquote taxes on labor that we are making bad business decisions because of the structure that was put in place.

Eve Nasby:

That's right. That's exactly right. And that's what people are forced to do today. And there's a lot of examples, especially in southern California of, you know, waiters and waitresses needing to leave their place of employment that they've been there for five, 10 years because that organization can no longer afford to give them even more than five hours, right? And so now they're having to go to other companies and what's happening is they're losing their best employees to other companies that can give them more hours on our platform. They don't have to do that. You know, they can walk in and clock in in five hours at your restaurant, walk in and clock in 15 hours at my restaurant. They can stay and they get that one W two at the end of the year, which shows financial stability for them. They can apply for house loans, they can apply that for auto loans because they're only showing one W two per band of hands, not 15 different W twos.

Pete Moore:

So, you know, in, in the in the, in the tech world, they say this, this will be a disruptive technology where you're building is a disruptive mm-hmm. <Affirmative> business model. And also, I could see if I was to put up like a schematic of band of hands as kind of an amalgamation of like ad p paychecks crawl your cpa your head of hr I mean there's probably a laundry list that we could put a really cool schematic together on of like, here's all the things that are not needed. When you outsource it to us. I would think that one of the primary questions that a studio or multi club operating would be, do I have someone to call directly as if I'm calling my head of hr? Or do you have a team basically? Mm-Hmm. <affirmative> managing that where they can access a database. Cause I think that's one of the important parts, that there's a human relationship with the company that's doing the outsources. So talk about how that's evolved and your infrastructure.

Eve Nasby:

I couldn't agree with you more. Everybody's talking about ai, this AI that they wanna maximize their efficiency, they wanna maximize their profits and they wanna deemphasize the human touch. Well, I think that's foolish, especially when you're in the business of you appreciate fire, right? That's our con

Pete Moore:

I just said the same thing at a, an event. I'm like, you can't do artificial intelligence until you have intelligence and also you use it as excuse to have relationship. Thank you

Eve Nasby:

Very much. Yeah,

Right, exactly. Yes. Yeah, I think we're on the, we're sitting out the same sheet of music, Pete. So Yes. Do you have a physical person on the under other end of that phone for the HR side, since you brought it up, our HR professionals have a minimum of 30 years of experience and they're SHRM certified, right? So you're talking to somebody that knows how to keep you outta hot water, right? So you've got all of those. We've got our customer service. It's, like I said, it's white glove. We want you to feel like you're the most important person on the planet at the time that we're talking to you. And we have to ensure that as far as the employees go, so that's where the employees, they can call the employees if they've got a worker's comp issue, unemployment issue, they've got the same hands that are holding them through their employment process to help them with any grievances that they might have. And again, the service level is top-notch. It has to be, we are going to be the largest employer in the United States. Nobody's saying no to us. No employers are saying, no, I don't want to relieve myself at the headache of being an employer. Right? No. Employees are saying, well, no, I don't wanna be a part of platform. Gives you flexibility, right? So put those two together, you've got a nice little rocket ship.

Pete Moore:

So, you know, when you think

Eve Nasby:

Musk

Pete Moore:

Tell, when, when you think about this industry over time, Dean of gal, and I've been in it since, you know, I've been in there since 1999. People used to do their own billing and they used to run credit cards. They used to have the tape coming out the top to see which ones went through, which ones didn't. And then a ABC Financial, which is now ABC Fitness that probably manages the billing for 16 plus thousand bricks and mortar locations around the world, had a call center in Little Rock, Arkansas. And when the member dialed, they would pick up and they would say, you know Pete's Fitness, you know, Manhattan Beach or you know NSBE's boutique Pilates, right? So they basically outsourced the entire billing member management relationship system and all the calls thinking that it was somebody at the location.

And it was way more cost effective to use an ABC than try to find someone that you would trust that would do all of your receivables and collections if you had one studio. So it was 5.8% of what was collected, which if there was a million dollars, \$58,000 employee, that was like your breakeven point, if you will. So I think that's probably the best analogy on what you're right. You're building out you know, would've been, you said that there's a lot of you know, client wins. Are there any that you could disclose or case studies that you can talk about? Cause obviously this industry is who else is doing it? How successful can I call 'em as reference?

Eve Nasby:

Yeah, for sure. So the fitness industry definitely is a gold mine. We had no idea how powerful it was going to be when we dove into it. AB five in the state of California has literally made it impossible, illegal for fitness professionals to be 10 99 contractors, which is what every fit professional was. And so there's studio up in Sacramento right now that's going through a lawsuit, lawsuit. They're going through some claims from the government, the state government of misclassification. And so that's costing them a pretty penny. We've got I could give you an example. There's a realtor. She was a single shingle and she hired the wrong person. And that person has caused her a lot of brief. And we, because that person is on our payroll, she's our employee. So we've spent thousands of dollars in legal fees defending our client. And that client doesn't have to pay any of it. We had a slip and fall on a caterer. That caterer simply picked up the phone and said, Susie Q slipped and fell and hung up the phone and went on to their catering business. They didn't have to take any of the phone calls from the worker's comp, the doctors. We managed all of that. And again, it's all in that \$12 per person per week fee. So I, the employer never has to worry about that stuff again, just bringing the right people or the wrong people. Cuz if you bring in the wrong people, we get to fire them

Pete Moore:

<Laugh>. Right, right. You

Eve Nasby:

Have to do that.

Pete Moore:

Either not, you know, that's a really big deal, especially given the levels of responsibility and trust that you have to have in that one person. And given the average life of an employee these days I said to my dad, you know, you have the cleanest resume I've ever seen. Yeah, he worked for two companies, you know, and then you see people today or you know, in there, 45 to 55, they probably had six jobs already or more. So Right. You've been at this now for five years. So give us a little bit of you know, how how's the process been? You know, speaking as an entrepreneur, you kind of, you're now at the right place at the right time and it takes time to build real values. Talk about how you think about your progress. Maybe if you could give some wisdom to your five year self-prior and say, Hey, this is what is gonna happen. Like fasten your seatbelt, give us some highlights of that <laugh>

Eve Nasby:

Ron will, you still can <laugh>. Exactly. the challenges were interesting. Of course, we have the whole pandemic to thank for that. We started out as a 10 99 platform and because of AB five, we shifted into that W2 platform. So lessons learned on that is, is a very positive right? When, when life hands you s make lemonade. And we definitely are doing that. Our CEO's extremely visionary. He can just, we can turn on a dime because we're a small startup. He's not afraid to ask the question, what if or why not? And with my background in staffing, I came to him and I said, look, we can get a screaming good deal on, on a markup, and we can, we can just mark that up, right? And make our profit that way and have this huge database full of millions of employees where people can just pick 'em off like, you know, apple's on a tree.

And he said, well, what if we don't mark it up? Right? And so it's having a person and being a part of a team that, that is not afraid to say, well, what if, and breaking the mold and breaking the way things are done if I had a message from my former five year before self is just hang on because that's, that perseverance will pay off in the future. You've got to surround your PE self with people that aren't Yes,

people that are gonna challenge you, challenge the way you think, challenge the way things have always been done in the past because in that you will be very successful. And so that's what I would encourage all the list centers to do is it's very easy to slip into what you've always done or how it's always been, or the people you've always gone to for advice. I would challenge you to think outside the box, go to somebody that you would normally ask for advice for somebody that has enough no idea about your industry, go and ask them a question because that's how our CEO have his idea. He has no idea how to run my industry and now we're gonna be in the forefront of it.

Pete Moore:

Yeah, no, I, I was you know, pre pandemic, if there was a trade show I was going to, or, or city I was going to there was another industry trade show I'd go to. I'd kind of crash it for not that long, but, you know, 30 minutes, 60 minutes if I'd get on the floor just to see if there's anything that's transferrable or anything that somebody that's doing that is, is a, is disruptive in their industry that we could potentially move into ours from, from a standpoint of how you get the message out, you're going to get some pretty big companies. And those companies historically have been very sticky businesses. Like in, in the example I referenced before with a, B, C, you know, that company is filling your bank account every month, right? Me to come and say, okay, I'm gonna go with this other company to basically control my revenue.

It's gonna take me a little while to digest that. It's gotta be worth my while and I gotta get to know you first. You've gotta get other references and I've gotta really believe in your team and your technology. So you going into a client and saying, you might be on let's use these as an examples. You could say Yay or na, but abt a ADP or Paychecks, like those are publicly traded companies that obviously are always trying to figure out a way to not guess get disrupted or lose their recurring revenue. So how do you, you know, compete against that? Competition is good makes you better, makes you faster. But how are those conversations gone?

Eve Nasby:

I love your questions. So paychecks, we have them as our back office engine for a year. And we learned very quickly that they're, they're not the best. I'm gonna be politically correct. They're not the best partner. They were not recommended to us by anyone. Everyone said, no, no, no, no, please don't use them. But they were the only ones that took a chance on us. So we, we partnered with them, they gave us a great deal. The, the service level was terrible and the, the fees that they were charging and kind of nickel and dime and all of that was not something that we would wish on anybody. And so from a integrity perspective and from a customer service level, all of our fees are transparent and simple. When we would call them, they would say, we don't know why you guys were charged \$13 and 65 cents for the last 12 months.

Like, there was no connectivity within the organization. Ours is simple. If you've got a question, we have an answer. We only have one fee, it's \$12. There's nothing else that you need to worry about. They also, so ADP and paychecks, like you said, great huge companies lots of infrastructure. What we also do that they don't do is we keep the costs really low. They, you get everything bundled together for us. Whereas ADP and Paychecks, you have to pay extra for the time clock. You have to pay extra for the HR service, you have to pay extra to get your payroll process. Do you have to pay extra to get your W two s delivered at the end of the year? You have to pay extra for all of that, which ends up being a very expensive and ever. And then if you want them to become the employer of record, it's an higher fee than that. Right? And so for us, it's no contest. We, we now know that we know that we know we're

gonna deliver better service. We're gonna deliver that quality customer service you talked about in the beginning. And our fees are so much simpler that it's, it's so easy for anyone to understand.

Pete Moore:

Yeah, I, I love when whether it's like T-Mobile or when cricket or something, you know, I say like, check your at and t Bell or check your T-Mobile bill. Like see how much they're actually charging you. Nobody ever checks. They just get, you know, right. An auto debit or like a, a summary email and then you think like, I don't think that number's right, but I don't even know who to call. Or if they even pick up, you know, and I don't wanna move and my cell phone again, right? So it probably takes a while, but once someone's on it, they're like, wow, you just saved a lot of frustration. And you've also simplified what, right? My whole business is last question. When somebody does leave a company, how do they get off boarded and what if they go to one of your, one of the company's competitors that actually happen to be on your system? I'm just wondering how that, how that would work. Because I, I, I think at some point as this gets executed, you could maybe take a, an employee your, one of your employees effectively and just move 'em into a new chain of like, okay, you worked at Crunch Fitness, now you work at LA Fitness and basically I've got your whole employee profile. Does that happen yet?

Eve Nasby:

It has not happened yet. It can happen. It's like I said, if you're a multi-unit franchise owner, you can move them across. However, if I have done something egregious, I can be canceled on the band of hands platform. Oh, okay. Then I'm not viewable or visible to anyone else. Interesting. Yeah. And so we've got these stickers. So we're, yeah, we're in 11 different states right now. But we're growing as our clients are asking us to grow, we've got these stickers you put on your, on your door if you've got like a client facing, you know, window or whatever and a worker can walk up, scan their, scan that QR code that's on that sticker that says, we hire with band of hands. Yeah. And they can walk in and clock in, right? Because if so, you could be a bartender at night and a Pilates instructor during the day, anywhere on the planet as long as they're with band of hands. And so that's the flexibility and seamless mobility of the people across our platform. But hiring and firing, we do all of that. And if, again, if it's egregious, you're gonna get zero stars and we're gonna remove you from the platform. We won't be able to work on our

Pete Moore:

Platform. Got it. Interesting. It's

Eve Nasby:

A good question.

Pete Moore:

Thanks. so you're gonna be at ssa Joe, talk a little bit about the team that you built and then how people can find out about you.

Eve Nasby:

The team that we built, we have 12 internal folks. We've got some crackerjack IT folks. We've got our visionary leader, Aziz Badra we've got our customer service liaison manager. We've got a C O O behind the scenes that's making everything work, <laugh>. So we have a great team behind us. We get a great marketing person too. Yes, we're gonna be at Ed. You guys can get ahold of us. My phone number is

really easy. Six one nine two four four 3006 1 9 2 4 4 3 0 0 0. Email is simply eve@bandofhands.com and of course the website is bandfans.com.

Pete Moore:

Sounds great. So look forward to meeting in person. I think this is a great podcast for people to think outside the box and then if they want to move into this disruptive business model and be one of the first to do that. Sounds like the floodgates are about to open, but seems like this solves a lot of fresh frustrations for a lot of people. Reduces cost and we always harp on what your unit economics are. If you can optimize your unit economics, then you're more likely to get more capital. So we're laser focused on that, right? And think about, you know, what your real assets are in the company cuz your employees are your assets, but you don't necessarily have to own them given this new business model. So you'll have more money for marketing, more money for education and for building your community. So Eve, love what you're doing. Thank David for panting and telling me we gotta get on, on board with the band to hands and look forward to seeing you down in San Diego. Sounds awesome. Thanks to you guys. Take care. Alright, see you soon. Appreciate it. Thank you. Bye.