



Complete Transcript: HALO Talks with Alex Peacock  
Posted September 29, 2023

Pete Moore [00:00:04]:

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Pete Moore [00:00:46]:

Have a great season. Let's go. This is Pete Moore on Halo Talks NYC. I have the pleasure of bringing from across the pond out of London, Alex Peacock, Leisure Labs. We're gonna talk about where technology is going, what's on the frontier, and how to prioritize if you are an operator, what is the most important thing to make an impact in 2023. Alex, welcome to the show.

Alex Peacock [00:01:22]:

Thanks for having me, Pete. Great to join you today.

Pete Moore [00:01:25]:

Awesome. So you've been, on the technology side of this industry for quite some time. So you wanna give your, quick background, and now we can dive into what you guys are tackling at Leisure

Alex Peacock [00:01:37]:

Labs. Yeah. Sounds great. So, yeah, I've been I've really been in technology my whole career. I got into the fitness sector, just over 20 years ago, actually. My original business, I've founded various different startups throughout that time. But my first business was actually, providing audiovisual systems for at the time, we were working in bars and restaurants. And in around 20,021,001 in the UK, there was a big influx of new health club brands and new gym brands coming onto the, onto the scene.

Alex Peacock [00:02:14]:

So we started designing, audiovisual systems for, for the new gym and fitness market. From there, I then became involved in a Canadian company actually called Zing Media. I set up their European business for them, in London and scaled that business over 10 years, before I moved on to, to work with a US company called Metals, which was a white label mobile app for, for health club operators, we were working with about, 10,000 different clubs around the world. So I ran that business in Europe and then and then worldwide for about 4 years.

Pete Moore [00:02:58]:

That's amazing. So, you know, as you look at your career, I would say the health club and the fitness industry before the pandemic was known as, you know, slow to embrace new technologies. You know, are we now in pace with other industries, given some of the investments that have been made on the, VC and growth equity side in some of the larger players, and where do you think we're at right now?

Alex Peacock [00:03:26]:

I think we I think we still have some work to do. There are sectors like, certainly, hospitality, and particularly retail, are doing a lot more in in some markets. There are, there there's a way to go. And I think when you look at, For the most part, what operators are spending on technology relative to their peers in other in other sectors, we are we are still a little bit behind. But in general, there's been, there's been a massive shift certainly in the last in the last 2 or 3 years. We work with some, some very large operators, that have, have always been, I guess, ahead of the curve in fitness terms, and now they're really starting to, to do a lot more in terms of innovation. I think the, the platform business and the software suppliers have, have been, you know, been a challenge in the past, but I think, as you said, we're seeing a lot more investment, on the platform form side. There's a lot more private equity money coming in, to some of the leading software brands, and that's helping them to remodernize their systems.

Pete Moore [00:04:37]:

So when you think about, you know, technology in general, I kinda view it as a weapon. It's a weapon to better run your operation. It's a weapon to Maintain relationships with members. I said somewhat as a joke, but I was serious. You can't have artificial intelligence until you have intelligence. So you actually gotta gather that data and spend the time to do it. So, you know, as you think about ranking, you know, maybe the top 3 technology priorities that operators should be focused on before they take a quantum leap to something that may be a buzzword. You know, where do you kinda start?

Alex Peacock [00:05:20]:

Yeah. So I think you're absolutely right. And I always, I always view technology as an accelerator. So it will It will accelerate things, but that can be good and that can be bad. So if you're doing things badly, if you have the wrong operational processes in place, you know, technology is going to make that more of a problem than it is today. So you have to get those operational foundations right, and then you can use technology to help you scale faster, help you, help you improve things, help you automate processes. But I think the As an operator, really, the key thing to think about is your, is your platforms. So, The whole reason why, why we founded Leisure Labs is because, what we could see in the market was this, ex This challenge for operators, you have a when you're looking at, a technology, you have a choice to make.

Alex Peacock [00:06:17]:

You can either buy a solution off the shelf which may not meet your needs. It may not solve all your problems. Or you can go out to an agency and have them build something from the ground up. And that's obviously much more expensive. It's more time consuming. It's more risky. And so, what we believe is that, actually, what the industry needs is a combination of the 2. And now that the platforms are becoming more flexible, they're becoming more sophisticated, what it does is it allows us to, to work on, developing innovation around platforms.

Alex Peacock [00:06:55]:

And so what we do is, we will we will work with partners to find out of the box solutions that might solve 60 or 70% of their problems, and then we build the other 30% on top. So what that really allows operators to do is focus their innovation on focus their development energy on things that are innovative and things that are actually gonna help them differentiate their brand. So what I would say to your to your point is, focus on getting the right systems in place that will solve the foundational needs. And then really from an innovation point of view, you need to make sure that those systems are working well together. They're properly integrated. They're talking to each other. And then it becomes much easier to start putting in the next the next cool thing. So if it's layering a, a conversational chatbot or layering in some kind of, some kind of data science or machine learning or personalization engine on top of that.

Alex Peacock [00:07:54]:

You've got the right foundations in place.

Pete Moore [00:07:58]:

Gotcha. So from a standpoint of training all the employees in different departments, how are you seeing that being rolled out? You know, what is the focal point when someone's putting in some new technologies? You know, how's that getting dedicated and distributed. You know, do you see that as one of the obstacles, in in rollouts of tech new technologies and apps that are, you know, constantly being updated, and there's a communication and marketing flow that that should be going alongside with that.

Alex Peacock [00:08:29]:

Yeah. I mean, I think change management in general is a huge factor, and it's often an underestimated factor. I think with digital, the great thing about digital is that you can you can change it very easily. So you can, you know, software can be rewritten. Software can be updated. User interfaces can be redesigned. But you've got to think about the operational impact of that. So if you're changing something around, you know, something as simple as, as class booking, or, you know, book a class in an app, if you get that wrong, then you have, you know, massive queues outside your studios and people showing up at the wrong time and all of those kind of operational challenges.

Alex Peacock [00:09:12]:

So, just because it's on the face of it, the technology side of it could be easy, that doesn't mean that you should you should underestimate the sort of potential operational

Pete Moore [00:09:23]:

impact. You made a point, earlier about, You know, percentage of revenue that is spent on technology and other industries. I started here, back in 20,021,003 if it was more than \$200 per month per club. That was a nosebleed price point even if it solved 1,000 of dollars' worth of cost and brought in new revenue. So how do you think about educating the market on here's your return on investment. Here's What we're gonna here's what the results are going to be, and we need to get our fair share of that in order to make sure that We could constantly develop and support this platform, as a, as a technology company or a, an add on to something you're already doing.

Alex Peacock [00:10:09]:

Yeah. I think that's a great point, and I've heard that many times where it seems like willingness to pay a lot of times The technology is based around, the price in the market or based around this kind of notional, it's \$100 a month or \$200 a month, and that's, You know, that's my budget for this, but there isn't enough attention given to, actually, what's the potential return on investment on this. What can we do if we develop this, if we make this better, if we if we can increase, you know, penetration of our of our premium membership tier by 5%, what difference does that make to our to the economics of our business? That sort of thing is very, very well established in things like marketing spend. You're always very focused on, on ROI, on marketing spend, but it's less so the case in in technology. And I and I think that's something that operators, many cases, they're starting to starting to embrace, but there is, you know, this tendency to set a set a budget based on a, you know, an arbitrary factor rather than, you know, what what's this actually gonna do to my business?

Pete Moore [00:11:23]:

Sure. You know, as technology becomes way more important in in our industry, as we've seen over the last several years. At what point or what size company do you start to have? A chief technology officer, Chief information officer, a data scientist. You know, how do you advise people on you might think that your next position is a Head of personal training or regional director actually might be better spent on managing your technology with someone that you're gonna pay, You know, 6 figures and bring someone in from either in the industry or outside the industry, that's run this type of play before.

Alex Peacock [00:11:59]:

So I think it becomes more a question of, it there are different ways of tackling that. For sure, You need to have those skills onboard one way or another, and it could be that you work with a, with a partner. It could be that your, your sort of your primary platform, provider will help you with that. But at some point, it's gonna make sense for you to in source those skills yourself. And we work with a lot of companies that u use us as their technology partner, but there are certain parts of the product and the customer experience and how they deliver technology that they need to have they need to have those skills internally to be able to direct effectively. So, I think what I would say is be aware of if you're an if you're a brick and mortar operator, Be aware of the fact that that's your core business. You're not a technology company, and sometimes there could be a, a tendency to kinda get carried away with that. But at the same time, actually, really, if you're if you're operating at scale and you have, you know, 20, 30, 100 100 locations, then you should start to think about what we need to we need to dedicate some of our some of our resources to bringing in in house expertise around Digital products, digital transformation, and

Pete Moore [00:13:21]:

technology. Great. So whether you can name names or not of specific clients. What are some of the projects that you've worked on that you've said, wow. This actually was better than what we expected?

Alex Peacock [00:13:44]:

You know, brands like David Lloyd in the UK or Crunch in the US, Fitness First, the Gympa Group, and so on. And they We tend to work with them on particular projects. So, we'll do a lot particularly around mobile app experience, for example. And a lot of that tends to be quite operationally focused. But we also have another cohort of clients who are more, more startups. So we work with brands where we can help them bring a new product to market. And we've had a couple of particularly interesting, areas that we've been working on recently. So one of those is a, it's a move to earn platform.

Alex Peacock [00:14:25]:

So it's a, you know, you do exercise, you elevate your heart rate, and you, you're rewarded for that. And it's actually a crypto based reward. So, that's been an interesting project working with, you know, crypto economics and building digital smart contracts for crypto. So that that's been quite a good, a good project on that side. And the other thing that we have been working on, we've been working in a lot is, is AI chat. So, we recently worked with a client to build out a chat based personal trainer, which is, we've built all of the learning engines, so it uses the, you know, uses the chat GPT model. It's a similar experience, but the chat is actually trained to be to act and behave like a personal trainer. So just building out those, those components to be able to train AI, has been has been super interesting, and we see other use cases for that.

Alex Peacock [00:15:21]:

So we're already looking at use cases like, So we can very easily train the model to know everything about your club. So you can just ask it a question whether it's, how do I cancel my membership or, what time's the next spin class on Tuesday? It will it will know that information, and it will be able to respond naturally. So I think the way that that kind of information is consumed and the way that members expect to be able to interact, is, Yeah. We we're seeing a huge shift in that in a very, very short space of

Pete Moore [00:15:54]:

time. That's great. You know, when you look at some of the conferences, I know you just went to FIBO. Saw some of your posts on some other, summit you've gone to. How much of this industry is about, let's collaborate, Get the best technology platforms, and then we'll compete on the marketing side. We'll compete on the programming. We'll compete on the relationships And basically level up. AI Nasravani is one of our partners.

Pete Moore [00:16:22]:

He's got the FIT Tech Summit, and, And, obviously, there's a lot of information sharing that goes on, reference checks on companies, and there seems to be a pretty open dialogue, on the technology side where I'm not sure in other industries if they're that open to lifting the industry up because they view

technology as we're technology companies. You know? We're not really sharing anything because that's what we're competing on. So how do you how do you kinda view that? And maybe longer term, does that change when you've got, you know, big consolidators that are, You know, try to get an end to end system and, you know, have a closed network versus a text app text stack that's, you know, more open source and API'd.

Alex Peacock [00:17:07]:

I think for the most part, I would agree the industry is generally very open and very collaborative. Certainly, you know, operators come together and work through problems and talk about problems that they have, and they're interested how other operators are solving Zinc. So I think, yeah, as an industry, we do a we do a really good job of that already. I think there are, there are other specific examples of that. So, I'm obviously based here in the UK. We have We have a quite an active, public sector here in the UK. So it would be analogous to kind of the nonprofit, the Y's and YMCAs and the JCCs in total in the US. But we have quite a large public sector, and we're which is the, the association, for the fitness industry in the UK.

Alex Peacock [00:18:04]:

And we work on a lot of strategic projects where it's about Actually helping operators to solve problems together. So we'll even do things like development consortium projects. So we'll get 3 or 4 operators together that are looking to solve a particular problem, and then they'll share the cost of doing that. And I think those are the kinds of things that are really gonna help take the industry forward because, fundamentally, 80% of Problems are shared. So if you can if you can find a way of solving the 80% in the most cost effective, most scalable way, Then it means that you have more money to spend on those things that are really differentiating you as a brand. So you can you can sort of say, this is the common ground here, And then, you know, this is the 10% that is our secret sauce, and that's the bit that we want to make sure that we, you know, we own and we protect.

Pete Moore [00:18:59]:

Great. So in closing here, tell us about what type of client obviously, you talked about a couple of different size operators in startups, but where where's the call going to Leisure Labs? You know, what's the frustration or, you know, the start of a project when you should be top of mind?

Alex Peacock [00:19:17]:

Our mission, really, as I said, is to provide this sort of alternative to the classic bio build decision. So if you're looking at a software project, if you're looking at, you know, a new app or a new a new management system or any kind of, any kind of platform like that, we can come in and we can help identify the best way to solve that problem, which might be with a combination of different platforms connected together. We'll do the integration work. We'll do the kind of build the connective tissue between those platforms, and we'll build the front end experience as much as is needed.

Pete Moore [00:19:58]:

That's great. So what do you think, 2023, 2024? What are your, you know, top directives to make sure, you know, this industry is focused on.

Alex Peacock [00:20:09]:

I think we're starting to see a lot more, A lot more potential around platforms and what platforms can do. So A lot of the, the member management type systems that have, you know, in the past potentially been closed or been quite constrained in terms of what they do. There has been a huge shift in terms of their opening up. So I think what we'll see is we'll see a trend from, you know, closed platforms and one solution that tries to solve Everything in a in an operator's, tech stack to much more point solutions, and much more, you know, single pieces of technology that will really solve the problem. And then I think from a from a technology point of view. You know, everyone's talking about chat and AI and how that how that can apply. We're starting to see real life these cases now. So I think what what's really shifted in the last sort of 6 months is people have been talking about AI and machine learning for a long time, but they haven't really seen it in practice in in at scale.

Alex Peacock [00:21:23]:

So now everybody's starting to, you know, play with ChatGPT or Whatever the latest AI tool is, people are starting to really see how they can actually start to apply that to their businesses in real life.

Pete Moore [00:21:36]:

There was a really interesting, interview with, Elon Musk on the, the potential threats of AI. I think it's more going to be an opportunity for our industry, than anything else, but I've been using it to, to do research and do some Do some slides, and, it's pretty fascinating, what that capability is and how quickly, it ports out information to you in a in in an elegant

Alex Peacock [00:22:04]:

way. Yeah. It's incredible how fast that technology has evolved, and it will dedication to get faster and faster. And I think one of the biggest challenges that we have to navigate is Actually making clear what is human and what is not human because it's becoming harder to tell. And so there are there are all of this the sort of the, the moral and practical issues around you're having a conversation with somebody. Is it actually a person, or is it or is it Is it an AI? And I think that's gonna be a lot of sort of mindset shift and change management needed.

Pete Moore [00:22:42]:

Yeah. So in closing, you've got any good, business quotes or quotes that you live by or

Alex Peacock [00:22:50]:

I'm a, I'm a I'm a proponent of, I hope you come across, David Allen, wrote a book called Getting Things Done. He has a quote in there that I really which is you can do anything, but not everything. And I think that's a that's a good one just in terms of One of the hardest parts of scaling a business is figuring out what is an opportunity and what is a distraction. And so that that The whole way of prioritization is, is something that I, I definitely hold dear.

Pete Moore [00:23:23]:

Great. Well, thanks for coming on. Look forward to, meeting up in person at the next, event, and we're gonna try and get over to, to the UK, Europe, and maybe, Singapore. So, thanks for your contributions to the industry, getting people on the right track, convincing them that technology is a secret weapon that needs to be part of the toolkit and the nervous system of their clubs and not, an afterthought for a couple 100 a month.

Alex Peacock [00:23:50]:

Thanks very much for having me. It's been great chatting today,