



If I Were Starting Over Again: Business Model

They say hindsight is always 20/20.

So, what did we learn from last year?

For the first time in a while, we're finally at a point where we can stop, take a deep breath, and really look back at what happened to boutique fitness in 2020 and look ahead at the industry's future.

Let's start with the former rodeo shall we?

Though it was a rough year, 2020 actually gave us a lot more wins than we were expecting:

- Some of the studios we work with in Asia, Australia, and New Zealand, have fully reopened and are doing numbers they've never done before.
- Overall revenue in studios in North America is up by 32%
- The demand for health and wellness is at an all time high

With all that in mind, I can confidently say that 2021 is a completely different playing field.

The competition is lesser, there are more people wanting to avail fitness services than ever before, and everyone is working out, even if they aren't physically at gyms. And that means the virtual, digital, and rental markets have risen considerably.

So, what does that mean for YOUR studio?

Well, for one, you might have to change your vision.

Vision is like a pair of binoculars that you have to constantly keep adjusting. It should be able to change and adapt to the environment around us, unlike values, which should remain static and unchanging.

Let's take Amazon as an example.

The global giant originally began with the vision of being an online bookseller.

However, as the years went on, they adjusted and changed their vision and are now one of the largest delivery companies, virtual marketplaces, digital content providers, grocery conglomerates, and MUCH more.

Growth comes faster if you learn to adjust your vision as you go along.

But, that's easier said than done. As studio owners, our businesses are our babies. And it's easy to wrap them up in protective cling film, even if that means strangling the life out of them.

But remember this y'all:



And it's one that all studios who have survived 2020 have mastered.

So, keeping an open mind towards possibility, if I had to change my vision and my business in 2021, here's how I would start:

I'd take a good look at my studio's model.

From working with countless studios last year, the three models below are the ones that I'd personally adopt if I had to start again this year, and ones that I'm investing in right now (so y'all know that I'm putting my money where my mouth is!):

- The Private and Small Group Focused model
- The Wellness Centre model
- A Simultaneous Group and Virtual Program Buildout

Let's break down each of them, shall we?

1. The Private and Small Group Focused model

Last year, just before COVID hit, I sat down with Rick Mayo for an episode of our Ready.Aim.Empire podcast. Rick is the owner of the highest grossing studio per square foot in the US and arguably pioneered the growth of ‘group’ training studios.

So, when he eliminated this group training and shrunk his studio to a private-focused model in 2019, the industry was taken aback.

But, when he broke things down in the episode, his decision made perfect sense.

According to him, group training studios had:

- Increased competition and
- Decreased profits

Ever since 2018, we’ve been seeing the writing on the wall that when you factored in square footage, a large team, and pricing, that a group focused model in some markets was a poor one.

In private and small-group focused studios, the offers are usually higher ticket, with a team of dedicated full-time staff members. Word-of-mouth and referral-based marketing reign supreme and the model encourages closer interaction with clients.

So, if that sounds like something your studio needs right now, then while you might not make as drastic of a decision as Rick, you can still consider shrinking the size of your studio.



2. The Wellness Centre Model

For traditionally large-group disciplines like yoga and cycling (where it's not uncommon to see 50 bodies on the same floor), a wellness centre model might be the most suitable.

Now, I know everyone has a different definition of a 'wellness centre', so let me try and break down mine.

To me, a wellness centre is:

- Multi-disciplinary
- Offers holistic treatment of the body
- Usually plays a medicinal role (not through traditional allopathic, but through alternative means of healing like reiki and acupuncture)
- Branding focuses on health and wellbeing rather than looks or body image

All parts of a wellness studio can and should be brought onto memberships. Within this model, group fitness, often with mind-body modalities at the forefront make up 50% of the revenue.

And in this model, you must focus on making sure the client has completed their full wellness journey, especially if they're availing medicinal services.

And Physical Therapy and Chiropractic brands that specialize in a niche, be it pre-post natal, neurological, endocrinological and so forth, have an amazing foothold in the industry!

3. A Simultaneous Group and Virtual Program Buildout

For the final model, there are two key words in the title that form the core of these studios - 'group' and 'virtual'.

Contrary to popular belief, group fitness is not dying. Y'all, I could write about this till the cows come home, but for certain disciplines, group fitness is more popular now than ever.

So, why not try connecting your in-personal studio to a virtual studio?

A virtual studio is simply any kind of digital fitness product.

In fact, cycling studios work great with this model. A studio I know (and whose owner I'm good friends with), has managed to make thousands of dollars in revenue by renting out their bikes and treating them as add-ons for their online program.

With 300 bikes currently rented out to their community, the studio has become a localized version of Peloton and their clients are not only paying for renting their bikes, but also for the actual online classes themselves.

Genius, if you ask me!



An opposition I've noticed quite a bit is that owners assume going virtual means to need to be like Peloton.

No sir, 2020 has shown us that the digital market is an even playing field that isn't at all crowded if you:

- Come into a niche
- Leverage your digital and virtual studios in a way that when people step out of their computers, they feel inclined to step into your studio as they please.

Remember, going online doesn't mean existing solely online!

So there you have it y'all! My top three business models for 2021.

What's your model? Head on over to our [Instagram](#) page and send us a DM!

