

# BUSINESS

## THE BASICS

Picture the scene: I was chatting to a client in between sets. We were stood next to the pendulum squat, him telling me about Liverpool's recent resurgence in form. It's 9:55pm. I started work at 5:30am. I'd love to say he was my twelfth client of the day, that I'd been back to back since dawn, but unfortunately, this wasn't the case. He was my fifth client, and my first client the next day was at 6am. For most of you reading this, you'll think, "Yep, been there, done that." It's a personal trainer's rite of passage to work stupid, ungodly hours. But why?

The answer is clear. First, it's about money. We don't want to pass on the opportunity to earn. Second, it's being accommodating. We want to make sure we fit around the client's schedule, not them around ours. Why else would we be in the gym at 10pm after almost sixteen hours of being there?

How do you break the mould? How do you go from over worked and under paid to working on your own accord for money that justifies your efforts? This is something we're not taught on personal training certifications. I got qualified, started training people, then just had to figure the rest out. I wasn't taught about business, finances, or even how to conduct a sales transaction. I was green and it led to frustration. My biggest mistake was assuming that I'd make a lot of money simply being good at what I do. Unfortunately, this is only half of the equation.

I would say there are universal rules for business that translate to any profession. It doesn't matter whether you're selling PT sessions, clothes, or ice cream: you need to establish who wants to buy your product, how you to reach them, how you make them want to buy your product, then how to increase your profit margins. It's a step by step process, with each commodity supplying objective data that can be assessed, reviewed, and addressed. A deficiency in one area leads to a weakness in the whole chain, and then your business suffers.

The thing is, being good at sales doesn't make you good at business. Just as long-term weight loss is a holistic process of diet, lifestyle, training, and mindset manipulation, so too is building a successful brand. You must assess all areas. Even if someone can sell sand to the Arabs, can they track their finances, plan for growth, retain their clientele, and get results? It's not just about money and transactions; it's about creating systems that may one day let you sell your business.

How much time do you work on your business? This doesn't mean studying, check ins, or social media. These are "in-business" commodities that enhance or deliver the product. They're things that could be done in free time or even subsidised. I'm talking about planning for growth, assessing finances, reviewing where you're losing time and money, and how you could tidy up loose ends. They're the things that you, the business owner, should care about the most. As this is your brand, your money, your assets, and essentially your life's work. You want to know which direction it's going.

When Richard Branson goes into a meeting, what do you think he wants to know? Do you think they spend a lot of time dwelling on train times and staff training? On the other hand, how much time do you think they spend talking about monthly financial projections, profit margins, marketing strategies, brand development, company ethos, and competitors? These business factors are essential to assess for growth. If you don't even know them, never mind address them, how successful do you think your business is likely to be?

Let's say you've decided that after ten years in the business, you want to give up personal training, raise some money, and live the good life out on a farm detached from reality. The thing is, you have clients (both in person and online), a brand, and a reputation. You wouldn't want ten years of early starts, late finishes, educational courses, networking, and hard work to be in vain. You should at least be able to gain some financial reward for your efforts. The question is, how much is your business worth?

Imagine you're sitting in a coffee shop across the table from me. I am a millionaire business owner looking to acquire independent personal training businesses in order to consolidate a client base of a hundred or more before opening a new gym facility in the area. Could you sell your business to me, and for how much?

Is this a question you've ever thought about before? If not, take some time to close the book, have a think, and write stuff down. How much money would you want for someone to buy your business, and how would you justify it? Remember, businessmen are shrewd and they'll be able to smell weakness. If you can't validate how much you're asking for, then they aren't going to buy off you. What would you say?

"I've invested this much into my education."

"I have this many social media followers."

"I've worked sixteen-hour days every day for the past five years."

These points may be noble of you to say, but it's largely irrelevant. In fact, the investor won't care about that at all. They'll want to know about financial growth, profit margins, lead generation, retention/uptake, and scaling your brand. As soon as you stray away from these areas, they'll lose interest. They appreciate that time is money and that they aren't going to want to invest in this venture. If you want to assess and grow your business, you need to know the following commodities like the back of your hand.

### Financial Growth

What were you charging one year ago? How much have you increased your rates by in the past twelve months and what factors have led to this increase? Was it education? Results? Improvement in reputation? What have you done that you can then replicate that has led to justifying charging (or making) more money? Can you then present this, week by week, month by month, in clear objective data? Where are your stats?

### Profit Margins

How much do you make per session? Not charge per session but make per session. This is your gym rent divided by how many sessions you do per month, subtracted from your hourly rate. You can even go one further and factor in daily commute costs to get a true figure:

Monthly delivery: 80 sessions

Gym rent: £500

Cost per session:  $500/80 = £6.25$

Cost in petrol per day: £5

Average sessions per day: 4

Cost of commute per session: £1.25

Total cost per session: £7.50

Average hourly rate: £40

Average profit per hour: £32.50

Profit Percentage:  $£32.50/£40 \times 100 = 81.25\%$

How is this number affected by losing a client or a client going on holiday? Has this number increased or decreased in the past 6–12 months? What could you do to improve this number, whether it be paying less rent, reducing commute costs, or increasing fees?

### Lead Generation

How many enquiries do you get per month? Where do they come from? How much time do you have to invest in each mode in order to retain this rate of enquiry? Do you have to spend money on marketing or advertising to do so? If so, how much does it cost and is it warranted? Are you spending too much time on an area that doesn't validate it, for example social media, when enquiries are low? Do you have a formula that is replicable for generating leads, be it online or in person?

### Uptake/Retention

What is your conversion rate like based on lead generation? How long do you have to spend on the gym floor or online to generate ten leads? Out of these, how many sign up? Do you have a system that is making your uptake in products more successful? This could be taster sessions, the way you present your packages, the quality of your

consultations, and making sure you're sitting down with the right people in the first place.

When people sign up with you, how long are they committing? What is the net spend per client? Do you send them questionnaires asking them about customer service, what they're happy with, and what they'd improve? Do you know why they are leaving? Could you improve factors that are leading to people not using your services anymore? What are the main factors that keep people training with you? How do you enhance these factors? Do you have periods where you go quiet due to the holidays? When is your busiest time? How do you periodise your busiest times so you can maximise your efforts in generating leads? So, for example, doing a heavy marketing campaign in November so you have emails and contact numbers ready for a push in uptake come January/February.

### Scaling Your Business/Brand Development

If your goal is to work as a trainer, do you have systems in place to grow your reputation, increase fees, and work less and on your own terms? How does your business grow and become scalable? Will you eventually employ people to work for you? Will you eventually have a passive product? How do you periodise yourself out of the business so that you're working *on* projects and not *in* projects? Will you have the same role you do now in five years' time? Do you have a five-year plan at all?

Taking all of these into account, what if your answer to the initial question sounded like this?

*I currently deliver an average of twenty-two sessions per week between the hours of 7am to 1pm Monday to Friday. This average has been calculated over the past six months. My average hourly rate has increased by 25% from £40 to £50 in the past twenty-four months. As I pay £500 a month in rent per month, I currently make £44.32 per session, which is a profit of 88.6%. This has increased by 18.6% from 70% in the past twelve months. I would attribute my growth to getting better results with my clients, leading to an increase in word of mouth referrals. I invest 5% of my monthly earnings into education, with the most useful and applicable course being the one I attended in biomechanics. I*

*attribute my skills as a trainer growing to this course so am going to focus on more courses in this area so that it becomes my niche.*

*I post on social media five times a week and currently have a following of 5,000 people on Instagram. I use Instagram the most as this is the avenue which I gain the most interactions and enquiries. If I post five times a week, I get on average five enquiries for my online services per week. Three out of the twenty monthly enquires sign up, which means my average growth for my online business is three new clients per month. My online services cost £100 a month and I have a capacity of twenty clients for quality control.*

*Based on my current figures, my average monthly income is £5,900. My goal is to increase one-to-one session rates to £55 in the next twelve months but also drop my gym floors to three days a week, delivering six sessions a day Monday, Wednesday, and Friday. This would mean I earn the same amount of money from one-to-one PT but only work three days instead of five. In the same timeframe, I would like to increase online fees to £120 per month. Working two days less means I can increase my online client base from twenty to thirty, enhancing my monthly income to £7,560. This is a 28% growth in income in twelve months with no increase in outgoings.*

*As all my figures are based off averages that account for seasonal variance, my annual before tax gross income is currently £70,800. I have set systems in place for client screenings, questionnaires, diet plans, FAQs, programme design, online support, online forums, and payments, all which could be taught to another coach. Given that I continue with the same strategies I have in place now, my projection for the next three years is that my annual income will grow by 8% per year. This equates £230,000 generated in that time. If you were to buy my current business, plus my three-year model, I would value it at £250,000, as you will have funds to subsidise work and invest more in marketing.*

Sound farfetched? It might in the world of personal training as interactions like this are rare, if existent at all. However, conversations like this will happen thousands of times a day in the world of business management. It's about acquiring assets, investing, and validating spending based on a sound business model. Want to turn your personal training job into a business? This book will tell you how.