

 *Ben Camper* - **00:25**

All right. Happy Monday. How's everybody doing?

 *Matt Khoury* - **00:31**

Good.

 *Nigel Skiathitis* - **00:31**


You?

 *Jesse Jones* - **00:34**

Strong start to the week.

 *Nigel Skiathitis* - **00:39**

Good. Bridge, you?

 *Matt Khoury* - **00:45**

You?

 *Ben Camper* - **00:47**

All right. Ian is out. Well deserved one year birthday party for Sean River gender. For today, we'll do a quick check in. We are doing a quick check in. We'll do? Where's Alex?

 *Matt Khoury* - **01:06**

There's.

 *Nigel Skiathitis* - **01:06**

Alex. Okay.

 *Ben Camper* - **01:06**

We'll do a KPI review. The reason I noted Alex. Not for this top two meeting, but for next top two meeting. Alex, if you don't mind, can you walk the group through the ops package? I believe it should be finished by then. Perfect. Awesome. The group will have that in their inbox before I think some of you have always been on the ops package distro. Others may not have. You'll all have it moving forward. Pretty data. There's a lot of just numbers in the Excel. So you'll have it. There's a few initial tabs that are summary tabs, which are great, and I'll also walk our way through it. Next meeting, we'll talk through that. Presale performance. Nigel, I put ten minutes on here. Where is Nigel?

 *Nigel Skiathitis* - **02:01**

Nigel gone there's. Nigel just got booted out of our room. So we're transitioning to a new spot.

 *Ben Camper* - **02:12**

We work somebody for us to pay the bill.

 *Nigel Skiathitis* - **02:19**

Time's up.

 *Ben Camper* - **02:20**

Hey, I was just here with the group, so I put presale performance on there. I'm not sure if you're I know you're working on a visual, but I meant to ping you on this offline. If we've got it, great. If not, we can scrap it. I know you're thinking through a visual for presale performance.

 *Nigel Skiathitis* - **02:39**

Yeah, I still probably need another week with Alex on this. We've sent across some ideas and where we are, and it's just building it into a usable kind of structure.

 *Ben Camper* - **02:51**

Cool. Can you grab just share just presale numbers with everybody? Anyways, when we get to it, we'll just go through them. Cool. We'll do department updates. Matt, we got the product development, intake and prioritization review. I've got four problem solving topics, including Nigel. I got the added one you wanted to talk about with cancellation. So that's the agenda for today. Any questions or ads before we get going? All right, month to date. I got my note out from early in the morning, earlier in the morning. It looks like last week we took a step backwards. We lost about \$1,000. 1st studio in AUVs. We were hovering in the high 60 to we're in around 59. So we took about \$1,000 back. When I look at studio to studio, a few of our studios, like our top maybe four or five, something like Berlin Game, Columbia, Pasadena, West Loop, it looks like they might have had, like, of variance.

 *Ben Camper* - **04:17**

Some of our middle tier studios lost maybe 1000, \$2,000. Looks like that's where kind of it came from. In the scheme of things, not a huge drop. Right. You obviously would love to be growing throughout the month, and that's what we expected to do because we've got.

 *Nigel Skiathitis* - **04:35**

The.

 *Ben Camper* - **04:36**

50% off promotions have kind of cycled through. We think that's of tailwind for us in rate and so that we've got consumers paying us more. Looks like our cancellations jumped up a bit. On a per studio basis, cancellations are up, and then we just didn't sell as many new sales to kind of mitigate that. That's what I attribute roughly the drop of about \$1,000 from the prior week. We've got the second half of the month to go, and so our traffic still looks pretty good. We're still averaging roughly three trials per day, which is what we've been averaging for the better part of two and a half months. That's enough trials to generate the type of sales we need. On the traffic standpoint, nothing out there that seems like it's red alarm. Conversion sits at 20%, so it's up over February, but still we're eight points behind and where we'd like to be our goal of 28.

 *Ben Camper* - **05:31**

You guys are probably hearing a broken record here. That's been the pain point. There's two things I want to kind of just let the group kind of in on and share with. Many of you are involved in these conversations specifically, but it's not lost on us that almost every call outside of the January ones, we're like conversions off target, and we're trying to figure out why and how we improve it. I think the ways that we're attacking this are the right ways currently. We've rolled out a sales model that we believe in, that's gains. We're working on driving execution. We reinforce that every single week in the base camp beat. If you look at the base camp beat today, it's on a very narrow section of gains. If you looked at it last week, very narrow section of gains. Conversion is of a freighter. If you got to think about, in order for us to get better at conversion, team members have to get skilled up, right?



Ben Camper - **06:35**

And so that takes some practice. Like, think about how many times you're going to work with one team member in a week. The student manager might only have, like, one rep with that person or two reps of that person, and certainly they're not going to get that much better after one or two reps. It's a freighter. We got to improve the skill sets of our team and the execution so that we can drive higher conversion. I think that work is the right work. Great job by the people involved with making that sales model, training that sales model, putting it on paper, scripting it out, and now we're just driving that execution, right? We're driving it through our communication on the beat, through our in studio visits, calls, et cetera. So that's tactic one. Do I think tactic one is going to get us from 20% to 28%?



Ben Camper - **07:23**

No, I think tactic one will help us move and improve. There's some fundamental things with either the way consumers are looking at trials or our trial process in general that we're just going to have to start fishing for. There's two things that are on our mind right now that are kind of in motion that would be fundamental changes. The first is working towards a paid trial. We'll probably test out in Berlin game. We're still really early on and what that could look like. There's a small group that's working through the logistics on it. Think what would the price be, how does someone purchase it, how do we sell it, how do we run it just in one studio and not others? I think we're not prepared to kind of go into bigger, broader depth of that today, but sometime let's call in the next two months, we should be in a place where we can test out a new type of trial process that's one.

 *Ben Camper* - **08:21**

Number two is we're doing some price sensitivity testing as well on just our pricing. Obviously a big part of conversion is the price you pay. We're working towards a pricing test in a market. Again, when it's ready to be communicated, we can share it out, how we're going to do it, what the success metrics are, how long it's going to last, et cetera. Those are two other irons in the fire that we have in addition to the sales training. I'm really hesitant to kind of expand beyond that. I want to start checking the boxes. Like, for example, if we decide through the feedback that the sales model we created is wrong, then we got to limit the other variables we have so that we can fix the sales model. I'm not hearing that from the people that are closest to it. We want to make sure that we control the variables.

 *Ben Camper* - **09:15**

Ultimately, we got to bump up conversion into the mid to high twenty s to hit the numbers that we need and we haven't had that since January. Any questions there? Just on, say, the business. When I go through that, guys, is it helpful to understand or do you not need the reinforcement from the email that I shared earlier?

 *Nigel Skiathitis* - **09:45**

I find it helpful. I think it's a good conversation for the group to have of kind of where we're performing and what we're focusing on and how we're evaluating it. I think it's good this is the right group to be a part of that conversation and hear it from you.

 *Katy Dilorio* - **10:01**

Yeah, I like it too. Just in case, I'm taking some notes because we're going to go into some of the problem solving towards the end. It just helps to kind of refresh it in a picture.

 *Ben Camper* - **10:15**

Some other things on my mind, and this is, I think, probably just of a pivot from how we evolved the business as part of SCB. If you think about, like, a year and a half ago, there was, like, a core base camp team. There was a lot of shared services that were included in it. Because of that, probably the core base camp team was involved in most of the problem solving and understanding the business, and the core shared services were not. I think, through this process, this same group has been on this call now for several months. I know it's the right group. I think we're developing more rhythm together ownership. My intent is to have the whole group visibility to everything that is included in, say, the business. An example of that is the Ops package. I think before it was Nigel's, Miyu, John, Chuck, and Dave, alex and I were talking, and I'm like, we review the Ops pack.

 *Ben Camper* - **11:22**

We want everybody to be informed about the data in the Ops package. But why aren't they on? Why isn't this on the distro? No idea why. I have no idea how that original group got formed. We'll make those adjustments so that everybody has everything that we're looking at that I'm looking at really, the whole group has. So I think that's important to note. That's April to date, two things I'd love to kind of get in everybody's head. The first is we got a target this month to get to \$62,000 in AUVs. That's \$3,000 more than today than what we're projecting today. We got close out to get there. 62,000 is where we'd like to finish 28% conversion. We're sitting at just under 20 right now, rounding up to 20. Got to move that needle from 20 to 28. We do that, we're going to win in April.

 *Ben Camper* - **12:21**

Those are the two kind of two North Star net metrics there. Nigel, can you give us a quick summary of the studios in Presale and how they're doing versus their founding member targets?



Nigel Skiathitis - **12:34**

Absolutely. So, quick update. Ovido had their first billing today. They're at about 88 members, 61 billed. Ten are still pending, and they have 17 declines. No news is good news on this one. I haven't heard any issues from a technology standpoint. They've been selling a bunch of memberships, but they've also that the pending number doesn't surprise me at all because they've been selling kind of a week trial and having membership start after that. I'm assuming they'll continue to have kind of some pending memberships, continue to build up as they utilize that strategy. Apple Valley sitting at about 170 plus they're getting ready to start actually processing them in the system. I provided them information last week just around using DocuSign versus not using DocuSign. They're getting ready there because they're comfortable with their opening date. They are on pace to hit our target of 250.



Nigel Skiathitis - **13:39**

They're in a really good spot converting over 30%. Really good to see that team continuing to build. Their sign is actually supposed to be going up this week and they're hoping that builds some excitement and awareness for their studio in that market. I know the real estate team is very bullish on that market in that location. We got Overland Park. Just a quick update for this group. Ben did a lot of work and we had some conversations with Carrie and the development team and Overland Park is going to be getting on board with our acceleration program. Had a conversation with Christy Cook on Friday and she was really excited. She actually said, I didn't want to be a squeaky wheel and I had heard about it. Just really excited. Carrie's already engaged Asher in that work. Legal should be sending them the amendment today. Reached out to Susan last week there.

 *Nigel Skiathitis* - **14:36**

Really excited to pour gas on that fire. It's obviously an extremely talented team that we're going to get revving up. They've had a slower start, but they're actually penciling them their start of presale about a week ago. They're sitting at one founding member right now. Christie has a really clear plan over the next few weeks to start to build that momentum and her paid social just started and now we're going to get to pour that acceleration dollars onto that fire. Really excited for what's to come over the next couple of weeks there. Ensenitas is over 100 members, so they're really tracking well at this point. They are on pace to clear that 250 mark as well. They're still about 45 plus days out. We know that momentum continues to build as you get closer to opening date with founding membership. So they're sitting at 104.

 *Nigel Skiathitis* - **15:28**

We're even looking out sending a team member from Santa Monica down there to help if they get like a big day of events and pop up schedule. But where is this Antonitis?

 *Ben Camper* - **15:40**

Didn't we already send a team member from Santa Monica down there?

 *Nigel Skiathitis* - **15:42**

No. Oh yeah, fair enough. Their fitness manager is Kenny, who is a longtime coach for us in Santa Monica who we're seeing. I mean, they ran a pop up yesterday and they converted six memberships off of that pop up yesterday. We're seeing the impact of having someone that knows the base camp experience that was already a high level coach for us being able to go and bring that to life. So some good progress there. Fruit Cove still sitting at 65, not on pace. They're struggling with staff and they're still operating without a studio manager. They have a fitness manager now in place who Jesse is in the process of onboarding. We like her. She has really good large group training experience. As Jesse would say. Josh is plugging and filling the gaps as best as he can right now as a studio manager for that.

 *Nigel Skiathitis* - **16:39**

But they are not on pace. Honestly, week over week, they're not trending great. I think they sold four memberships last week total. There's still some work to do in that studio. It starts with the work that they have to do with staffing, and that is a recap of presale right now.

 *Ben Camper* - **17:03**

Nigel, nice job. I have a question as well. I noticed for Troy, their upcoming projection got wiped out. Did you catch that at all?

 *Nigel Skiathitis* - **17:22**

It's like completely at zero.

 *Ben Camper* - **17:24**

Well, last week they had \$4,100 in actual and \$5,200 in upcoming. This week they have \$4,800 in actual and \$500 in upcoming. They lost like \$5,000.

 *Nigel Skiathitis* - **17:46**

Any idea why? Go ahead.

 *Ben Camper* - **17:52**

Okay.

 *Alex Breunig* - **17:53**

We did see a lot of those, a lot of attrition already. They had like 20% attrition when we were going through the Ops package. It could be related to that. Some presales who canceled before open.

 *Nigel Skiathitis* - **18:12**

Yeah. If you look at Troy right now, let's see, they billed 42 people. That is where the five grand is coming from in revenue. And then they still have 21 pending. So they've been selling memberships. Actually, I had an hour long conversation with Deanna this morning. They're actually starting to convert people at a pretty good pace. I think that it speaks to the quality of coaches they have out there and the work that Jesse did with them. Deanna and Valor taking a majority of those opportunities to convert. They also have four declines. So, I mean, like, in total, you're looking at a membership base right around 70. Her goal is to get it to 90. Ben, to your point, I think something seems off because 21 memberships for \$520 in upcoming billing seems off. The only thing I can think is maybe some of those people are falling outside of the end of the month for their first billing cycle.



Nigel Skiathitis - **19:13**

But that number still feels really low. If I'm just taking \$120 average, which looks like that first group that paid is on, you'd say that would be at least two to three grand.



Ben Camper - **19:25**

Do you remember when like, on day one, how many people they had either active pending?



Nigel Skiathitis - **19:31**

Yeah, they were sitting right around 86. 87.



Ben Camper - **19:36**

Let's give it a week or so and just see then how many go active. I know sometimes in reporting for the founding members in the two week trial, I remember Dan Brusky, one point was explaining this, I send you the two screenshots. Ironically, I had them, and so they're literally, week over week, you can see the drop, but let's keep an eye on it, maybe as the things normalized. It is what it is.

 *Nigel Skiathitis* - **20:09**

Yeah, she has an eye on staffing and a pretty aggressive plan for outreach and lead generation. Again, I think if she can continue to went through her schedule today, and they're going to be sending me an updated studio plan today that they'll be going through with their team. She did update her pro forma, or she still has some work to do. Just she's updating. Where her starting point is for active members is kind of the one piece she's in there. A positive note from a construction standpoint is I think their cost per square foot before Ti was around \$60 a square foot, and post Ti, it brings it down to right around 50. From a build out perspective, she definitely found a bunch of savings in doing a conversion of a preexisting studio there. If she can grow fast and mitigate cancellations, she could get back on track to a break even by month six, which is what we coach, too.

 *Nigel Skiathitis* - **21:15**

So not all is lost. It was not the presale we wanted, nor the start that we wanted, but if she can continue to convert at how she's converting right now, I think they can catch up and be on track come month six. Cool.

 *Ben Camper* - **21:35**

Let's dive into department updates now. Do you want to just keep rolling and then kick it to whoever's next?

 *Nigel Skiathitis* - **21:39**

Yeah, let's do it. Let's see here. Ben alluded to a few of these looking to do kind of a one pager for this group on our paid trial test, just to loop everybody in and then doing some work around our pricing test. Think like sales pitch, sales deck, and some SOPs around how those team members can protect some of the surrounding studios. Mary and I doing some launch training work today around continuing to evolve our launch training and add in some of the notes and some of the things that she's been working on there. That work has been going really well. I think her and Carly have built out by far the best launch training and onboarding we as a brand have ever had. So kudos to her and Carly there. I'm also going to be rolling out now that Kansas City is on the acceleration program, building out a weekly presale call versus individual calls.

 *Nigel Skiathitis* - **22:42**

It'll just be one presale call for all studios in Presale. I think this will allow for some more best practices, being able to be shared, some peer to peer accountability around performance, and some time savings in there for me. I think it's kind of a winner across the board. I even floated the idea to a few of the studios in Presale and a few of our owners, and they seemed really excited about it. So that's cool. Doing a little work on some JDS around an FBC new studio opener. We're getting ready to get New Jersey Presale on the books. Just finalizing that with Mary and that ownership group and we have some other things going on. I'm still pumping out scripts. Carrie, if I owe you anything, there let me know. I sent you a bunch over the weekend and those are the big ones.



Nigel Skiathitis - **23:34**

We've got 2023 goals, and I know we're going to be going through some work around tech pain points in our new studio opening process. We have our Brand Marketing center launch this week, which Carrie will own. So that's exciting. Carrie, I can't edit who the person running the call is, but let me know when you want me to jump on there. I'll just jump on early and make sure you're in all own letting people in as you go through the call so you don't have to worry about that. I will pass it over just because he's right below me. Jesse Jones. Cool.



Jesse Jones - **24:19**

We had a coach's course last week, had 15 people in the coaches course, which is the largest coaches course that I've had to date. I auditioned six people on Friday and have another six people to audition between Monday, Tuesday and today, tomorrow and Wednesday. So a lot of good coaches. Columbia, I think, is shifting away from, I believe it's Whitney, who is their fitness manager, and they're onboarding three really good coaches. Some are relocating from Minneapolis to Columbia. So good stuff happening there. I auditioned two coaches. One was a studio manager and fitness manager for Australia, so that was really promising. I was weary of the fitness manager, but he actually came out of his show and he sounded really good. So Katie excited for him. We got to get him more exposed to base camp, but I certainly had a knee jerk reaction early on in my first few interactions with them.

 *Jesse Jones* - **25:25**

Mary and I are making some structural changes to way that we onboard coaches and fitness managers. For me personally, having different presales going on and then getting pushed back with construction and speeding up and hiring and firing of fitness managers, there were times where I didn't know what was going on. Mary's done a really good job helping design the academy and the dashboard, setting up time with me. So we're still optimizing that. Some good changes this week on that. Got launch trainings that I'm preparing for. Next week and the week after, I'll be on the road to Fruit Cove, Florida, and the Twin Cities. The week after, some of you on this call will be on the Summer Challenge kickoff, I believe it's tomorrow afternoon. Excited to kick off that work already. I'll between this week and next week evaluating ten of the top coaches.

 *Jesse Jones* - **26:29**

That's a combination of fitness managers and coaches in the system to pressure test a new evaluation guide system that we are exploring that'll make it a lot more objective with our evaluation guides and less subjective. All things coaches and fitness manager development.

 *Nigel Skiathitis* - **26:57**

Matt. Matt great. It's going to you. I actually had one ask just in conversation with Troy today. It sounds like that there's still some issues around consistencies with members being able to check in on the app. Have you discovered anything around root cause there? Are we worried about it being widespread and maybe just not hearing about it? I guess that was kind of my one ask in there. You're on mute.



Matt Khoury - **27:35**

The two studios that were aware of issues were two of the studios that there was a particular configuration in Marianitech that was not set specifically. There was a default check in time that had a null value, an empty value. Because of that, Sylvia and I took a deeper dive into the apps logs and we saw that studios that have a considerably higher check in error rate happened to be the studios that didn't have that value set. Ian had that value set and we can see the graph of errors that happened. Some errors, it's just normal, but it just dropped off a cliff. There's far fewer errors happening consistent with the rest of the system. I e normal. So, no, I'm not aware of anything special for that particular studio. If there were check in issues that were widespread, they would be happening everywhere now. Because as far as we can tell, marian attack is now set up consistently across the US domestic system.



Matt Khoury - **29:19**

If we need to get on a phone call, I'm happy to do that. Yeah, the last thing I heard, Nigel, when this was like two weeks ago, after I told Josh that we'd made some changes, this was in Kahaba. I think he said he'd monitor and get back to me if there are any issues. I haven't heard anything. So, yeah, if there are more issues, I need to know. Let's get a meeting call on the books. But I'm not aware of anything.



Nigel Skiathitis - **29:59**


The one I asked, the ask I had of Tiana in that was to be able to provide examples like member X booked a class and was there 15 minutes beforehand and was not being given the option to check in.

 *Matt Khoury* - **30:15**

That would be great. Now, it's not to say that there can't be these one offs. For example, I'm talking with somebody. I'm probably going to go meet this member of Woodbury that her schedule just doesn't appear fully in her app. When we sign in as her, our apps look normal. You have an iPhone 14 Pro? I have an iPhone 14 Pro. I don't understand why yours does that and mine does. It is weird anomalies that could happen, but I do not believe there to be anything widespread or else we'd be hearing more of it, especially from you guys. Oh, are you handing it to me?

 *Ben Camper* - **31:03**

Yeah.

 *Matt Khoury* - **31:05**

Well, I want to do the product update now. Can I do that? I'm going to pass it off to Carrie.

 *Katy Dilorio* - **31:15**

Cool.

 *Carrie Konosky* - **31:15**

Thank you. So, Wednesday, that's the biggie for this week. We have the all brand call 02:00 to 330 Central time. If you are not on the invite and want to join, let Nigel or I know so we can forward it to you. I think the first 45 minutes would be really valuable for this team. If you can't join live, watch the recording. Tracy and Beth from the creative perspective will be kind of explaining the strategy behind our brand refresh and I think it'll just be help, especially for those of you that speak to studio managers and our franchisee facing to get of the understanding behind that. The CRM project I think I updated last week. We did accept the proposal from Bold Orange. So we're waiting on the final timeline. Nigel got your script, so I will let you know if there's anything else I need.

 *Carrie Konosky* - **32:05**

Thank you for getting that in from a paid media side. Kind of to jump onto some of the updates to our Ramp studios. We are seeing some really good numbers. I think the performance with our preferred agency Asher has been improving a lot, especially this last month to six weeks. Apple Valley is by far now our top studio in terms of presell and how they are doing with paid media. We're seeing really good numbers from Ensenitas and as Nigel said, we have Overland Park about to kick off. Spoke with Asher just before this and they're putting together a proposal now that we have those acceleration dollars. Ben will probably talk about that with them this week on our call. Really just excited to see the work that's happening there. The other biggie from the marketing side is if you haven't heard, we did hire our new social media manager dedicated to base camp.

 *Carrie Konosky* - **32:56**

His name is Kevin Liu. His Instagram handle is Sweat Engine if you want to follow him. The guy has a crazy he's a stud.

 *Ben Camper* - **33:09**

Times ten.

 *Carrie Konosky* - **33:10**

Yeah, he's awesome. He's based out in the San Francisco area. So more to come. Big win for us to have him on the team. Summer challenge, I know we have the kickoff. The creative team has started work on that. I got the first preview of the lockup and some of the design work. It looks really cool. They're kind of playing with our colors in a way that we haven't yet with this new branding. Excited to be able to share that with you guys soon. I will send it to Ashley.

 *Ben Camper* - **33:37**

Ashley, sorry. I'm going to jump in real quick. Carrie, two things. The first is I'm excited to get Kevin on board. I think he'll start work with everybody. I think he's really talented guy that's got a good eye for it. The quick funny story I have on it is I was with andrade where were we? I was up in brother game with him and he. Was talking about something, I said, oh, we just hired someone that I think can do some shoes with you. He's got a pretty good following on Instagram. He's like, how many followers do you have? I'm like, I don't know, 80 or something. And he's like, Nick's like 80. I was like, I think, like 80,000. And Nick's like, no way. Nick's like, I got 2000. Sure enough, he had like 120,000 or something like that. I love having Nick give Nick of reality check.

 *Ben Camper* - **34:29**

At the time, I think he had purple and black fingernails and pink hair or blonde hair. So that was fun to do. Nick, I think he's going to be a good partner of yours. He's going to make everybody look good on Photos. So that's awesome. Then, Carrie, I got to give you credit, sorry for being long here. The work you've done with Asher and Paid Media has been awesome to see. You spoke about some of the results, but that's like a byproduct of just some of the management you've had guiding them and steering them on things that we're hearing from franchisees. It hasn't been a smooth journey. We still have room to go. We're improving our communication. For someone that I venture to say paid Media was not on your radar and area of expertise, like four months ago, you've quickly spun up and become an asset to it.

 *Ben Camper* - **35:17**

And so awesome work. The team, you guys should know, like, Carrie's on these calls and really being an advocate for the brand and for the franchisees, and it shows in the way that Asher is responding. So awesome job.

 *Katy Dilorio* - **35:30**

Cool.

 *Carrie Konosky* - **35:31**

Thank you.

 *Nigel Skiathitis* - **35:32**

Cool.

 *Ben Camper* - **35:33**

Sorry, Ashley.

 *Ashley Siede* - **35:35**

All good. Good job, Carrie. Okay, let's see here. This week, Mindy and I are kind of doing a big overhaul analysis of all of our base camp inventory. In our warehouse, we have a forecasting tool that was built for us now so we can really be following along with the sales. What do we still have on hand? It'll tell us what do we need to buy, how many months of supply do we have? This will be awesome for our mileage shirts because I know we have struggled with keeping them in stock. The warehouse is doing a huge inventory count today with everything big shipment that's come in. A big win there once we get that whole piece going. Just compiling all the product knowledge info for the summer releases and then after the summer challenge call, I will work on sourcing some ideas for.

 *Mary Vicario* - **36:38**

The Swag product for that.

 *Ashley Siede* - **36:42**

Those are kind of my biggies oh, I'm sorry. I need to hand it off to somebody.

 *Mary Vicario* - **36:50**


Alex.

 *Alex Breunig* - **36:53**

Thanks. Let's see. So quarter close. That should be wrapping up. Accounting getting it closed either today or tomorrow. Variance analysis on our PNL income statement should be going throughout the rest of this week. All of you should be getting the Ops package from me later this week. Where then? We'll review it on this call next week.

 *Ben Camper* - **37:18**

Tuesday.

 *Alex Breunig* - **37:18**

I think it's happening on Tuesday instead. Doing a lot of analysis around that and then working with Nigel on that pre open ramp numbers the pre open studio sales for those members against our targets. Working on some improvements to our current Ops package, reporting just quality of life and improving how we frame the information that we present. Who hasn't gone. Mary?



Mary Vicario - **37:58**

Thanks Alex, I appreciate it. Lots of stuff going on related to team member onboarding and just shoring up those processes, digitizing it, leveraging the tools and resources so that Jesse and Nigel don't need to push that train down the track and putting responsibility back in the learners on learners plate. Also creating content so that the franchisee can really drive the onboarding of their team members. Studio teams can manage the onboarding of their team members. Medallion is in full swing, so it's taking up a considerable amount of my time trying to get the emails written. Nigel, thank you for your time last week. Kind of going over how we're going to operationalize the timing and SLAs for studios. Exciting to see that come together. Summer challenge. Carrie is super excited to get the Brand Marketing Center up and going. All the content has been developed and ready for that and then we've got some the staffing toolkit then will be released probably by the end of this week.



Mary Vicario - **39:00**

It looks really good. Super happy with where we've landed on a lot of the content. I think it'll be helpful for the studios to have access to all those resources. I think that those are the big nuggets. If there's other things, they're obviously not front of mind. If I miss something I'm supposed to be working on for you, let me know. That's on my plate today or this week. Katie, off to you.



Katy Dilorio - **39:27**

Thanks Mary. Super excited to give a little update on Summit here. Currently they are on track to hit their close out, their mini close out of tier one which will end on May 14. They've got over 300 actual leads out of a goal of 570. They have now sold twelve presale memberships out of the 21 for the mini close out with a goal of ultimately getting 110 by the time the studio actually opened. The news is there might be some additional delays. We'll find out more tonight. In terms of opening the studio, it's not a shocker, these things happen all the time, but Texas is going to have me for longer before I head back out to Australia. So that's the big one. The next one is Class pass. Just trying to get all of our corporate locations more consistent in terms of what they're presenting, making sure that we're optimizing all that class pass has to offer and seeing if we can engage more of our class pass consumers, bring in some extra dollars, and possibly convert long term.



Katy Dilorio - **40:43**

Those are the two big things with the exciting news. I get to go out to Fruit Cove and hang and experience the launch training out there. I'll head out with the team and get to hear all about this launch training that's been building out. Really excited for that piece as well, too. Other than that, I've just been, like I said, trying to solidify some of the processes and learnings that we've taken so far with Summit and some of that stuff is just kind of already in. Works naturally because we've come up against some challenges. I'm the last one to go. Yeah.

 *Mary Vicario* - **41:18**

Katie, I haven't asked for you that while you were talking, it occurred to me. So talk to Libby. We want to prioritize getting the master dashboard set up, and with the delays with Australia, it might be a good time for you to get your hands in there. I'd love to schedule some time, maybe while we're out in Fruit Cove, to just sit down and talk about what that will look like. I'll start inviting you to those calls with Lucas that you're part of the stand up process for that.

 *Katy Dilorio* - **41:46**

Okay, yeah, that would be awesome. It is on my list, and I've been just kind of reviewing what's currently on the base camp dashboard, like you and I had talked about, I don't know, ages and ages ago, but that would be super helpful.

 *Mary Vicario* - **41:59**

Thank you.

 *Katy Dilorio* - **42:01**

I feel like there was something I was going to ask this team, but I forgot. So, Ben, back to you.

 *Ben Camper* - **42:08**

Take it to Matt. Matt, there's just a saying right now. It's silence is golden.

 *Matt Khoury* - **42:35**

Sorry.

 *Ben Camper* - **42:39**


Somebody tell the tech guy how to unmute \$2,000.

 *Matt Khoury* - **42:44**

MacBook it's a little more than that, by the way, but come on.

 *Nigel Skiathitis* - **42:48**

Boomer.

 *Matt Khoury* - **42:51**

I've been thinking about this particular segment of this meeting for a little while now. Specifically, I've been feeling it's been rough, and in the interest of just trying to dial in the signal so that it's a really good use for all of your time. There's some changes that I've been kneeling on in this section here with Ben, and it's all around product intake, but also giving all of you guys enough time to digest some of these meteor topics before we actually talk about them instead of getting here on a beautiful Monday and then trying to drink from a fire hose near the end of most of your days. The way that we're going to evolve, hopefully improve here, this product intake process, and then again, how we present that stuff here, there's a slight change to it. The part where there isn't a change to it is the one page of that I think most of you have seen.



Matt Khoury - **44:20**

If anything, I'm just encouraging people to fill that out, to not take more than ten or 15 minutes to do it. If you need help, you should work with me on it. Happy to do it. If you want to meet before you actually fill that out to talk it through, let's do that. Too many options. After we've got the one pager completed, for sure, let's get together and pressure some of the things that are in it, things that you've written. Maybe there are opportunities to plus it, think about it differently. And if it's good. This doesn't need to be more than a 15 or 30 minutes touch base, but then what I'll do and commit to doing weekly by Wednesday or Thursday is to just coalesce all of the one pagers that I think will have time to review on the following Monday and send them out to you guys.



Matt Khoury - **45:18**

It should be a true one pager. My ask would be is that you just read that in preparation for this meeting, because if you submitted it, I'm going to ask you to present it at this meeting, talking through it for about 60 seconds and seeing that everybody else here will have already read it and you've set it up. Or if I wrote it, I've set it up, then we can have some deeper discussion and debate versus trying to wrap our heads around like two or three new things that just got presented right now, which is really hard to process again, especially later in some of your days. After several minutes of discussion and debate, and depending on how deep we go, basically I want to hand it over to Ben. At that point he could say, this is good to go. Thumbs up. What's the next step?

 *Matt Khoury* - **46:26**

What do you need? He could kill it, in which case it's the end of the line. Or he could say maybe, but more information is needed, go back to the drawing board, in which case we'll just do that research and discovery until the next meeting and then just surface it back up. My hope is that with this slight modification to this part of our meeting, it'll just feel a bit more streamlined and together versus, again, drinking from a fire hose. Any comments, questions, concerns? Even betters.

 *Nigel Skiathitis* - **47:09**

I'll jump in and say like, I appreciate you laying this out. I think it'll be really helpful as we there will be no lack of ideas and things that we want to work on. I think you laying up this process creates a really simple followable format for us to start to have these conversations and execute things. Thanks for taking the time to build this out. I know you put a good amount of work into it, so I appreciate it.

 *Matt Khoury* - **47:37**

Thanks, Nigel. I appreciate the comments too. I'm here to try to make what can tend to be some complex technical issues, stuff easier and less intimidating. So I want to help with that. I'm happy to help with that. Happy to dig into this stuff. This is fun to me. So, yeah, looking forward to partnering with you guys on all the fun and interesting outcome driven things you want to do. That's it. No changes to the one page.




Mary Vicario - **48:19**

Matt, I got one quick question. I see, if approved, Matt adds a placeholder on the roadmap. I know that's your roadmap. One of my asks is that we also look at Windows, particularly if there is any change management or development needed for the field. Look what I did so that we're looking at the field's capacity and GoPro. Also, I think you had resources already and Windows kind of filters for that, too.



Matt Khoury - **48:47**

Excellent call out. I am not intending to replace your Windows PowerPoint. I just wanted to bring it over here. We look at this roadmap together, when I share it with other people, we see it clearly laid out perfect for studio app stuff or things that I have a part of or Tech has a part of in the studio. I've created a lane for that. We can kind of see here on the predefined Windows where that lies. Same thing for Base Camp's website and apps, and the same thing for Summits website and apps and Sylvio from Fittive just so that we can get a clear view into how he is evolving. The Fittive app, which is Base Camp, is a white labeled version of that. He's going to lay out high level bricks here, if you will, what's on his roadmap for the year or however long out, far out he plans that stuff.

 *Matt Khoury* - **49:55**

I've also asked the vendor team to take what they know, ian knows about what he's hearing about Mariana Tech talking about when they're possibly delivering this thing or that thing. I think I heard Nigel and you and Mary say a couple of things that Mariana Tech is working on that well, okay, let's get it on here so we can actually see when it's expected and if there are any other areas where, it makes sense to consolidate our roadmap views. Like, this is an editable board by anybody that's got the link. I'm happy to share the link with you. I've got my stuff in here that I'm going to manage, and I want to know if there are competing things or things that could potentially conflict. That would be the whole purpose of having this type of view. Minimally, it'd be great to just get all the tech stuff in this one place.

 *Mary Vicario* - **51:01**

Yeah, I think maybe we add in some of the Windows stuff. My concern is, as we're creating these One pagers and we're prioritizing them and we're making commitments to do the work, are we looking at what's already been mapped out as kind of the year continues. We're already compressed and the last couple of windows of the year, from a fuel perspective, they're GoPro. So it's just on my mind. I wonder if we can find a way to compare your roadmap to what's already plotted out for the year. That doesn't mean we don't pull something and replace it with what you're working on. I just think we need to talk about it.

 *Matt Khoury* - **51:41**

Cool.

 *Ben Camper* - **51:42**

Noted.

 *Carrie Konosky* - **51:42**

Just to echo that too, Matt, and again, I appreciate you making this more digestible because it definitely sometimes is a lot to read through. These calls are really helpful to kind of Mary's Point thinking through from my side from working with Creative and content for the web stuff. I think that would be the other piece of just seeing what we have knowing. Can our internal team do it? Do we need to contract things out and then making sure we're taking time for the review process for anything that Creative would need to have eyes on?

 *Matt Khoury* - **52:13**


Sure. Good calls. Yeah, absolutely.

 *Katy Dilorio* - **52:18**

I would be mistaken if I didn't say, like, hey, whatever we do for Base Camp, can we consider any implications for Summit? The international meaning? If we're going to make changes, I know it's already thought of the example we're about to give, but like the website, for example, if you're considering both Base Camp and Summit or something like.

 *Carrie Konosky* - **52:39**

That.

 *Matt Khoury* - **52:43**

That's a great call out too. I want to say I will fight anybody on this call to the death to keep the two sites in sync and the two apps in sync. If they wanted to do anything different than that, it becomes a nightmare when that would be the goal. Let's just say that would be the goal. There'd have to be a very good reason for not doing what we do in one and the other.

 *Nigel Skiathitis* - **53:17**

Got a mean gator roll. I don't know if you want to fight him to the death.

 *Jesse Jones* - **53:22**

Tap or snap, baby. Tap or snap.

 *Matt Khoury* - **53:27**

Okay, let me go back. Here my other updates that I wanted to I'm not going to go through any one pages today because this is a new thing and I'm going to do what I said and send them out beforehand. We're going to read them in next week. We'll go through them. My updates today are on the Experience lighting. Summit, this is going to be important for you guys. Katie, there's a certification path that the lighting system is on. It's going to take about six to eight weeks. There isn't a high degree of concern that it would take any longer than that. Certification is needed to streamline the implementation of stuff that you plug into an outlet. We talked about product intake, the studio app rollout. Last week, I think we pretty much settled on a plan to roll it out. We're going to kick the tires in Edina on April 26, and or 27th, and then take a week to digest what we've learned.

 *Matt Khoury* - **54:30**

May 8 I think that's a Monday. The plan is to fully roll it out in Burling game, and we'll be on site for that, along with helping to document what needs documenting and train who needs training and so on and so forth. Assuming that goes well, because it will, then the plan is the following week to roll it out to the system. I think that was the.

 *Nigel Skiathitis* - **55:04**

There'S still.

 *Matt Khoury* - **55:05**


Some detail to be sorted there, but that's the plan. Mary, I don't know, I think I'd work with you on just help me help you or others prep. Whether that's communications or manuals, I assume that after the test in Edina, we'll have a clear indication whether we're going to do this on May 8 in Burlingame.

 *Mary Vicario* - **55:38**


Yeah, Matt, in Burlingame is where we'll build SOPs and manuals and all that stuff.

 *Nigel Skiathitis* - **55:46**

Cool.

 *Matt Khoury* - **55:48**


The Summit website is coming along, and because it's going to be the Base Camp website, I wanted to just share some of what it looks like with you. The back end infrastructure is being built still, but the front end of it is looking pretty decent. This is what Summits page looks like home page looks like. I'm just getting this back from the front end developer that I hired. We've got videos plan. We've got what the workout entails. We've got a promotion. We've got info about the app and a standard footer. And the studio pages are coming along. This is the coming soon studio page, which is basically a landing page. The opening soon landing page, it's slowly coming together. I'd say the home page is in a bit more polished state than these studio pages are because I literally just got these a couple of hours ago and wanted to just pop them up on the screen so you guys could see this is not functional.

 *Matt Khoury* - **57:03**

The code that makes this look like this does is it's in code. The engineer who's working on the content management system will basically deconstruct this into blocks and implement it and do course for Summit and likewise for Base Camp.

 *Ben Camper* - **57:28**

Hey, Matt, the copy reading Carrie's necklace, awesome. Agree with you and I carry. I'm going to bridge the question and the work you and me and Angelina were talking about earlier. Matt, the copy around what's the workout and all of that, who's creating that?

 *Matt Khoury* - **57:50**

That was created by the guy that did the updated Summit brand book. Jenna could a genius team.

 *Ben Camper* - **58:08**

Okay, so the reason I asked I don't have feedback. I think, again, I'm getting excited about this. It's visually it looks awesome. Carrie and I were on a call with Angelina earlier today where we did the segmentation work to better understand who's the 70% of our consumers and how do they think and what type of messaging they may respond to. It might be good not to change or transform anything, but just to make sure we have that to pass through some of this language. Some things that I noticed, Carrie, again, was like some of the rigidity of the language, right. How that really is alienating to some of our groups. The cool thing about all this, Matt, is I know you shared with me is super modular and so we can adapt and change and A/B test and all that. How cool would we care if we got to a place where based on who we thought the person landing on the site was for Active?

 *Ben Camper* - **59:08**

Was it active? Wellness seeker versus strength trainer. You might have photos of people doing more weights than, like, cardio. That can be really cool to explore. Right. There are some cool segmentation work that we should certainly be aware of.

 *Carrie Konosky* - **59:23**


Yeah, I know that work was domestic in Canada. That gives us of time to look from what we have here and take that back to the content team and say, what can we change and start testing?

 *Ben Camper* - **59:38**

Cool.

 *Carrie Konosky* - **59:38**

I love it, matt, you did such a great job.

 *Matt Khoury* - **59:42**

Cool. I didn't build that, but I helped design it. Appreciate the comment, though. Let's see, before we get into I talked about okay, yeah. We can talk Apple Watch right now. Ben, I know that was on your agenda. I can tell you where we're at with the firming up of what the Apple Watch program is. I think that's what you were poking at. Right?

 *Ben Camper* - **01:00:15**


I had team that was involved in this. Please keep me honest. I had a note here that said ultimately we wanted to put for we wanted to create a communication on dashboard of like a reminder for the Apple Watch program. Before we shared it, we wanted to get a really firm point of view on nailing all the specifics. Is that right, everybody?

 *Nigel Skiathitis* - **01:00:40**


Yes.

 *Ben Camper* - **01:00:41**


Okay.

 *Matt Khoury* - **01:00:41**


That sounds right to me. The team and I collaborated on this burn it to earn it program. It's not just a terms and condition, but it is a program overview. I think most like keep me honest, guys. But Mary, I think you've seen it. Nigel, I think you've seen it. I don't know who else has seen it. Ian has. I've gotten bits and pieces of feedback from folks and just applied it here to kind of firm up our understanding about what the Apple Watch program is. That's one piece, the second piece is trueing up how we apply the credits. I can tell you that Ian and Sylvia are actively going back and forth just to make sure that the query that he uses to pull members and apply the credit is airtight to ensure that only members who have an Apple Watch are going to get the credit.

 *Matt Khoury* - **01:02:00**

It is just as easy as updating the query, but there's also some regression in there just to make sure that they didn't miss anything. That's still being firmed up and it obviously won't continue until Ian gets back. The final thing was dashboard communication. I don't know that anything's been posted yet on that.

 *Mary Vicario* - **01:02:30**


No, and it's a good call out. I want to add in, I know that there's an appetite to have a conversation around purpose of this program and does it hit the mark, some exploration that we probably need to do as a team this work. Matt, thanks so much for all your support here was just to make sure that the way we've communicated this program is in alignment with how we're executing it. It is by no means saying that this is the right program or this is our future state. It's just, hey, we've communicated this program as a we need to execute it as a matt, I appreciate all the work you've done there. I think to your point, this probably belongs in the dashboard. We can just put a quick note in the beat that says, hey, guys, we've heard from you that there's been some discrepancies, and we just want to make sure we're communicating out to you that we've reassessed the way we apply the credits, and here's the program, and more to come in the future.

 *Matt Khoury* - **01:03:40**

I'm done.

 *Ben Camper* - **01:03:42**


Matt, I think as we think through a next step on this, holt had pinged me from Apple on this and I think we got to press them to help us find more value in this program. I don't know if we're really uncovering a lot of value in it. Now the good news is we I think we've dreamt a lot. We've mitigated our risk quite a bit from where it was. We probably had more value in the previous program. That'd be my guess. We had more value but also way more risk. Branches weren't going to do it, but I don't know. The most valuable company in the world. This is like their program. I think we're executing as we've designed it, but I think we should involve them in how we may want to execute it better or not execute better, but redesign it just doesn't feel like it packs the punch that we'd like it to have.

 *Matt Khoury* - **01:04:43**

What would that narrative look like with Halt? How would that sound? How would you frame it?

 *Ben Camper* - **01:04:53**


Yeah, that's where my head immediately goes to is for us to identify a metric that we're trying to drive to me to increase lifetime value or is it usage? It percent of members that let's just say this, let's say it's percent of members that hit a threshold, or percent of members that do a certain amount of visits and then we could idea with them like, hey, can you help us design a program that could drive that metric more? That's where my head goes to Ben.

 *Mary Vicario* - **01:05:42**

I'd also like to tag on the training tool and resources. I think part of why let's just call it a gap for sure is the studios execute this inconsistently from studio to studio. I'm not even sure that our team members 50% of the time talk about this program when they're onboarding a new member or selling a membership. If they were to, I don't know that there's a consistent way that they talk about this program. So, on our side, I don't think we've done a great job of building the tools and resources and operationalizing it in a streamlined way.

 *Nigel Skiathitis* - **01:06:26**


Cool.

 *Matt Khoury* - **01:06:27**

Thanks for your time, guys.

 *Ben Camper* - **01:06:30**

Matt, do you have the next steps on Apple? Are you good with.

 *Matt Khoury* - **01:06:37**

Reach out to Holt? I could put some thought into what that metric is.

 *Ben Camper* - **01:06:49**

Do we have the most urgent next step of communicating the current program to our member base?

 *Mary Vicario* - **01:06:56**

I got that.

 *Ben Camper* - **01:06:57**

You got that?

 *Nigel Skiathitis* - **01:06:58**

Okay.

 *Ben Camper* - **01:06:58**

Mary's? Got that. So here's current state. Here's what it is. Future program. We can run that work stream concurrently. Yeah, Matt, I think put some thought into what would be a metric, maybe bring it back to the group. We can add to the problem solving next week.

 *Nigel Skiathitis* - **01:07:15**

Okay.

 *Ben Camper* - **01:07:17**

We can reach out to hold anybody else from Apple. We want to be strategic. We might want to think just timing and sequencing based on the other Apple conversations going on with AF. I don't want to muddy that up. We might want to hold it . I think that next meeting got pushed to May.

 *Matt Khoury* - **01:07:34**

Okay.

 *Nigel Skiathitis* - **01:07:35**

We'll do. Cool.

 *Ben Camper* - **01:07:41**


Anybody else has anything else before we go into problem solving topics?

 *Nigel Skiathitis* - **01:07:50**

Good.

 *Ben Camper* - **01:07:54**


Matt, I did send you over a one pager for a product development submission, and so hopefully we get on the agenda for next week.

 *Matt Khoury* - **01:08:07**

Nice.

 *Ben Camper* - **01:08:11**

All right, mary, you had two here. I think you might have been out one of the weeks, and we didn't get to the next week, so I might botch the context of it, but it was base camp support, ticket ownership, and feedback.

 *Mary Vicario* - **01:08:25**


Yeah. Thanks, Ben. I'm going to kick it off by, first of all, saying that the firm to the response and resolution of tickets from, let's call it 30 days ago today is incredible. It just kind of speaks to getting the ticket in the right team members hands how quickly we can resolve some of these issues. I think the other thing that's bubbled up and Matt, we've seen it a lot with the tech side is being able to identify trends so that when we can understand, hey, this isn't just a single studio issue. This is a larger issue, and we're quicker to resolve it. These are the benefits of putting the ticketing system in our hands. I do know that we are not technically support people, and so there's been a learning curve around that. I shot. Out a quick email just to freshen everybody up on, like, hey, you get a ticket here's what to do.

 *Mary Vicario* - **01:09:21**

Here are SLAs. If you guys have questions about that, let me know. Matt I've got some work with Matt Olsen on being able to kind of really break down in studio technology further so that the right requests are going to the right people. Carrie I think there's an argument for doing the same in marketing. And then the last component. I know Ian is not on the call, but I am considering taking Mariana Tech out from Ian and actually filtering all Mariana Tech requests and brand bot requests to explore directly, just based off of what I'm learning that Wax is doing with Zenodi. I just want to give you a couple of quick updates and just thank you. I don't know that you're getting the feedback necessarily from the franchisees, but I think as of Friday, we had 14 total tickets in the system, which is huge improvement.

 *Ben Camper* - **01:10:26**

That doesn't count as a problem solving topic.

 *Mary Vicario* - **01:10:31**

Sorry, Ben, the problem solving was earlier around the steps to resolve, but I shot that in an email, so I don't know that we need to belabor in with the conversation now.

 *Ben Camper* - **01:10:41**

Now you've set up whoever else is next on the problem solving, is that you got to follow Mary's complimentary topic.

 *Mary Vicario* - **01:10:49**

You said that I've got two topics.

 *Ben Camper* - **01:10:52**

I was going to put Nigel on the hook to talk about cancellations, which I thought was a nice bridge from compliments to cancellations. Mary won't. Nigel, you're up next.



Nigel Skiathitis - **01:11:04**

No compliments for this one. All right, so this is what I wanted to propose to the group. At a current state of how a member cancel a membership is matt could be an active member of Woodbury and North Loop, could cancel their membership for that membership. That is the current state. Regardless of where you are a paying member, any other studio could cancel the membership. Issues I could see arising from this are membership flipping. So, hey, I'll cancel your membership over there. I could sign you up on this deal over here. You look at a market like Minneapolis that is continuing to densify. You look at a future state where you're going to have a burling game and a franchise location 2.8 miles away. It opens up the door for some of that. What could that do for a member experience? Well, now all of a sudden, they're caught in the middle where all of a sudden that old studio reaches out like, hey, Matt, I saw that you have a membership canceled, but you have a new membership.



Nigel Skiathitis - **01:12:09**

Like, what's up? That could be weird for a member and kind of getting into the middle of that shuffle here's kind of what I'm proposing, and I wanted to bring it to this group before any conversations with Ian. He's obviously not on. I have a few questions for Ian, but before we get there is to set up the system so that the studio where it is being paid is where the membership could be canceled. If I'm a member of Woodbury can cancel my membership. If I'm a member of Burlingame Burling game cancel my membership. That would be the member reaching out directly to the studio that they have their membership with, working with that owner studio manager team to cancel their membership. That is what I'm proposing. I'm going to pause there, pick it apart. Let's talk through that.

 *Katy Dilorio* - **01:13:10**


I think this is a great call out. I think even when I was a studio manager, I was starting to experience it, and we just kind of went off a golden rule, treat others how you want to be treated. We paid courtesy and just called the other studio and said, hey, they're primarily coming to this location now. What can we do? Number one, great call out on this one. I think it's only going to continue growing as a nuisance as we grow up studios, as you've noted as well. I think for me, the first step would be figuring out what Mariana Tech.

 *Mary Vicario* - **01:13:48**

Can do with Ian or Ian can.

 *Katy Dilorio* - **01:13:52**

Do with what we can do with Mariana Tech. There a way where we can just narrow that field of what people can see, in a mind body version, but like an upgraded 2.0 where they can still see certain things, but they can't cancel them? That would be my first question. The rest of it, I'd have to continue giving it more thought, but I'm a big fan of what you're proposing.

 *Matt Khoury* - **01:14:20**

Nigel, how big of a problem is this.



Nigel Skiathitis - **01:14:26**

Look? I think I look and right now, corporate owned studios in the same market, and maybe you look at a Madison market, that it's all one owner, and that limits it. Minneapolis is really you're already starting to see it, where now we have two corporate owned locations. We're about to have two franchise locations with the rights to three more already sold and in waiting. Now you'll have three different owners and two corporate studios in the same market. I look at the Chicago market as that continues to develop, even how close it is to Madison. They've had some crossover, I think, about San Diego and Northern California. As we continue to densify markets, this will become more and more of a topic. Just know, like, I've already had owners and Chrissy reach out to me on this topic of, like, hey, how's this work? Can someone just cancel the membership and switch over?



Katy DiIorio - **01:15:31**

Can I give you an idea? It's not a huge problem right now. It is becoming one, and it's only going to become one even more. I think this is the time to really start looking at what are solutions so that we have it in place as we continue to densify our different markets. On top of it too, our franchisees or corporate locations are getting merits based on new sales and things like that, or number of cancellations, whatever. It could be the four KPI targets. Then that makes a difference. And so it gets a little roof.




Mary Vicario - **01:16:10**

Nigel, what would the consumer experience be with what you're proposing?

 *Nigel Skiathitis* - **01:16:15**

They would reach out to the studio that they have a membership with, and if they'd like to cancel that membership, they would work directly with the studio in which they open their membership with.

 *Mary Vicario* - **01:16:27**

Just quickly. This scenario that you're talking about is I walk into Apple Valley and say, hey, I want to cancel. They say, Sorry, you need to reach out to Woodbury for cancellation.

 *Nigel Skiathitis* - **01:16:41**


Yes. Any cancellation, you can either email or call the studio that you have your membership with, and we'll be able to take care of that process for you.

 *Mary Vicario* - **01:16:50**

Got it. If somebody say, Apple Valley opens and say, hey, I really like this studio, I'm wondering if this is also a question of reciprocity, which I know we started working through, Ben, but is that part of what you're trying to tackle here?

 *Nigel Skiathitis* - **01:17:08**


Yes. So, look, even if we say do the right thing. Right. I'm going to be working on it at Edina. So I'm going to pay Edina. That person is going to need to cancel that membership and reset up a new membership with Edina for Edina to collect that revenue. Even in this process of do the right thing, they're going to be working out here. The membership needs to be canceled and a new membership needs to be set up. With the way Mariana Tech is currently structured, there's no way to transfer a membership to a new studio.

 *Mary Vicario* - **01:17:46**

Yeah. That's kind of where I was going. I wonder if the work belongs on our vendor to make this a smooth experience for our consumer and also for our owner.

 *Nigel Skiathitis* - **01:18:00**


Yeah. I had questions written down for Ian on, like, what would we need to do in Mariana Tech, and is this even a capability that exists in Mariana Tech right now? I think there's some understanding, but before I got there and started that work, I wanted to align this group and make sure that I didn't have any blind spots. Am I missing something? Are we creating a negative experience in some way, shape, or form for the consumer by moving this? Which my personal take is that it does protect the consumer from getting in the crosshairs a bit.

 *Matt Khoury* - **01:18:41**

There a rule written somewhere where I can't cancel my membership and go to another studio and just open another one? So then what's the big deal then? If I guess I'm still trying to.

 *Katy Dilorio* - **01:18:57**

Imagine I'm overseeing Edina and someone is a member at North Loop, but they primarily only come to Edina, and I go and I cancel that member from North Loop and re sign them up in Edina so that I get the profits for it without telling you. In North Loop, that's where the tricky part becomes people aren't always following the golden rule and then it becomes, well, whose member are they really? I'm the one that worked to sell them, but they only come here now. It helps alleviate that part of it.

 *Matt Khoury* - **01:19:27**

My counterargument to that is, okay, so we may get more friction filled for the consumer and they can still do that anyway. They can walk into their old studio and cancel it and go over to Edina and take out a new membership.

 *Nigel Skiathitis* - **01:19:42**

Matt yeah, good question. Let's say Apple Valley is in presale. I'm a Woodbury member and I'm like, oh, I saw that deal. I'm not going to be changing where I work out. Woodbury is like, great, I'll cancel your membership over there. I'll sell you a membership here. You keep working out over there.

 *Matt Khoury* - **01:20:05**

I know what you're talking about.

 *Nigel Skiathitis* - **01:20:07**


Jenna may never even realize it, or it may be a year before she realizes that this person she's servicing this member on a regular basis, but she's not collecting any of the revenues from it.

 *Matt Khoury* - **01:20:17**

That's where AF has like their reciprocity rules built in by you go to a club a certain amount of time. I don't remember what the thresholds are, but let's just say the majority of your visits in the last two months are at a club other than your home club. Then that studio owner can behind this. Sorry, club owner can behind the scenes claim you. There has to be rules met that's AFLand. But, yeah.

 *Nigel Skiathitis* - **01:20:58**

Again, this it allows for agenda to say, hey, I can just I'll match that rate for you, so don't worry about the price. I'll change your membership rate. You're not missing out or losing anything and you're staying here versus Jenna never knowing that it happened. Jenna spent the marketing dollars, the labor hours, everything to convert that member and without knowing, she just lost a membership. Flipping is a real thing. I dealt with it when I was in Santa Monica with West Hollywood and Pasadena and 24 Hours Fitness. It was a real thing.

 *Matt Houry* - **01:21:38**

Thing to consider, Nigel, is if or when we ever get around to a big if we ever get around to sell memberships online or in the app. Right. They have to have a way to cancel that without talking to anybody. But it's not an issue now. It's just throwing it out there for reaction.

 *Nigel Skiathitis* - **01:22:03**

Yeah. To me, it's like, I signed up with you, I'll cancel with you. During that process, that gives the owner or the studios an opportunity to learn why they're losing a member. Someone could be canceling their membership without ever giving that studio or team an opportunity to keep them and give that member what they want.

 *Matt Houry* - **01:22:32**

Yeah.

 *Katy Dilorio* - **01:22:33**

Again, in the cancellation process, I can't tell you how many people I was able to save just by talking through with them. It ended up like, majority of the time just being like a freeze instead of a cancellation, and they just thought they had to cancel.

 *Mary Vicario* - **01:22:55**

Again.

 *Katy Dilorio* - **01:22:55**

I'm a big fan of trying to put it back on our vendor and seeing what Mariana Tech can do and.

 *Mary Vicario* - **01:23:01**

Then.

 *Katy Dilorio* - **01:23:05**

Just coming up with some, I think some mindful, like a very mindful process. I don't know. Again, I think we just need to.

 *Mary Vicario* - **01:23:19**

Take a look at reciprocity, Matt.

 *Nigel Skiathitis* - **01:23:21**

I think it's a good call out. Like the reciprocity piece, I think is a piece of this. And what is that consumer experience? I think it's us eventually making a decision. Is that a buy class? Is it once a majority? There's some vendor work because right now, Mariana Tech does not have the capability to say, matt, you have an active membership here, you are moving there and we will transfer that membership over for you. Right now, that user experience isn't great because whether it's a twelve month or a month to month, it needs to be canceled and reset up with the new studio. There's definitely some questions in here for Ian and do these capabilities exist? If they don't, are they even on the roadmap? Part B of that is, do we want them to prioritize that work over the other things that we're asking for that are more impactful on driving revenue?

 *Katy Dilorio* - **01:24:21**

The consumer experience is a great when you cancel out one income to another, you can't just transfer the credit card.

 *Mary Vicario* - **01:24:27**

You know what I mean?

 *Katy Dilorio* - **01:24:28**

Like, you have to reenter it all back in and stuff.

 *Nigel Skiathitis* - **01:24:34**


Do you?

 *Katy DiIorio* - **01:24:36**

If they're not in your system, maybe it's Jane, since I've been studio manager.

 *Nigel Skiathitis* - **01:24:41**

But.

 *Mary Vicario* - **01:24:45**

Nigel, do you mind if I ask a question? I don't want to extend this if it doesn't need to be, but what should the consumer experience be, or our franchise experience, depending on how you want to kind of build the model and then go from there. Because what I'm hearing is consumer walks into any studio and says, hey, I want to cancel my membership. What we really want to do is save them no matter what studio they're in, rather than redirect them.

 *Nigel Skiathitis* - **01:25:17**

We do. Right now we're asking the consumer to either fill out a form or submit an email for that request as is, because we don't want a frontline team member that works 4 hours a week trying to address that conversation. We want someone closer that has skin in the game, that has experience with that conversation, navigating that conversation.



Mary Vicario - **01:25:49**

Yeah, I get that. I'm just wondering if I walk into Studio B and I'm a member at Studio A and say, hey, I want to cancel my membership, can Studio B submit message to Mariana Tech that paying Studio A and says, hey, members, request to cancel. Can you reach out to them? I'm wondering if there's an opportunity for us to think maybe differently and leverage our vendors to do some of that work. I don't know. I'm just spitballing the other thing that.



Carrie Konosky - **01:26:19**

Kind of came to mind, which makes me think that figuring out the reciprocity is also just really the answer is, aside from cancellation, let's think because this is happening in Minnesota right now. There's a client from Woodbury who doesn't really like all the coaches anymore, and she's been coming to North Loop every day, the two classes in the morning. Now, let's say these are two franchisees, and that happens for a period of time. She's taking space at a packed class, and that studio is not getting any revenue for at least a month. I think that's, again, it comes back to the system. There a way that you can see where they are taking most of the classes? Does that make sense?



Ben Camper - **01:27:03**

Guys, we're right at time, so let's do this. It sounds like there's an appetite to solve what we're proposing to solve here, which is finding a way to enable the home studio to control and be aware of what member behaviors requests may be cancellations. I want to move to a different studio, whatever that is. I think there's a lot of open questions of what's the best way to do that. Ideal consumer experience, how can we unlock what from the vendor, all those use cases. I want to be cognizant of the intent of it. Nigel, do you have enough to take the next steps on this?

 *Nigel Skiathitis* - **01:27:45**

I think so. Mary, I have down your note around a communication piece. It something that could be automated where hey, this studios request this members requesting a cancellation and it pings that team. In the short term, could it be like that studio just sends an email to the other studio? There's also understanding from Mariana Tech what is possible as is. There a way to lock down to where one studio is, the studio that owns that processing of the actual cancellation? And I think there's the reciprocity. One to me is a juggernaut of work to do before we get there. I think the other questions are more for Ian related to Mariana Tech and what is possible and what would need to happen once I collect that information. I don't know how long. I know it's out for a couple of days for Rivers birthday, but I'll shoot him some questions and gather some information and we can read next week as a group, and I can give an update and we can continue the conversation about cool.

 *Ben Camper* - **01:29:05**

Good stuff. Mary, I'm assuming you want to do a quick plug on the QBR needs.

 *Mary Vicario* - **01:29:14**

Yes, I can shoot out an email. Ben, no problem.

 *Ben Camper* - **01:29:18**

Awesome. We got it next Wednesday. Looking forward to doing it all, everybody. Good chat. Today. Thank you.