

COVID-19 VIRTUAL FITNESS PLAYBOOK

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BFS is agnostic: our goal is to simply provide you with the best and most information possible, so this playbook may contain different points of view and information based on different experts' experience and business models.

1 TECHNICAL SETUP

The basics, pros & cons of live stream and on demand, & how to make it happen

CHRIS BEER

8 DIFFERENT OPTIONS FOR PRICING YOUR VIRTUAL FITNESS

Thinking ahead, looking at quality, & thinking through pricing options

ROXY BORGER

12 WORKING OUT MUSIC RIGHTS FOR VIRTUAL FITNESS CLASSES

Understanding the risks of copyright infringement & practical steps to take to avoid them

WAI L. CHOY AND DANIELLE MOSS

19 MARKETING & COMMUNICATION STRATEGIES FOR VIRTUAL FITNESS

Marketing Tips and Tricks for Transitioning Your Members to Paid Virtual Offerings

KARI MILLS AND EMILY STUBLER

23 CASH FLOW PROJECTION TOOLKIT

Understand your pivot to virtual offerings from a financial standpoint & use this cash flow projections tool to map out different scenarios

MAURA VELLA

29 LEVEL UP YOUR LIVESTREAM FOR THE LONG TERM

Best practices from Sue Hitzman for producing quality LiveStream content

INTERVIEW WITH SUE HITZMANN

31 QUICK TIPS & ONGOING SUPPORT

3 quick tips from audio experts AV Now and how to access their continued free technical support

AV NOW



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TECHNICAL SETUP

CHRIS BEER

FOUNDER, B.WELL CONSULTING



THE TECHNICAL SETUP



As a consultant who works with small business owners in the fitness and wellness space, I connect organizations to systems and technology that helps bring out the best version of themselves. That focus narrowed in March 2020 when the majority of my clients were forced to close their doors due to local, state, and/or federal regulations around COVID-19.

An inherent part of entrepreneurial life is being thrown curveballs, and making the best decision for your organization given the information and options at hand. For my clients, we had to think quickly and creatively about ways to nurture their most important segments: their clients and their staff.

- How can we harness the power of technology to stay connected with our community in a way that is true to the core values of the organization?
- How can we leverage the talent of the instructor community while making fiscally responsible decisions?

Business boils down to people and relationships.

How you take care of your people during this-or any-time of crisis will determine your organization's viability for the long run.

It's important to note that there are different approaches to migrating studio offerings to a virtual setting. As in anything in life and business, evaluate the options and select the one that best serves the needs of your organization. New software integrations are coming to market each day. Let's take a look at the best options for moving your content online.

The Basics

There are two ways of offering your classes, livestreams or on-demand. As with anything, there are pros and cons to each:

Livestreaming is the act of broadcasting content in real-time over the internet.



livestream workouts

PROS


- Opportunity for community engagement both during class ("Hey Mike, you're really hustling! Keep it up.") and pre-/post-class, replicating the studio community environment
- Offering a schedule of classes can provide some structure to clients who crave normalcy.



CONS

- Requires your clients and staff to be on a schedule, which may be difficult as they're balancing childcare, working from home, etc
- Subject to technology glitches that are happening "live"

The on-demand video refers to the type of online video you can find on YouTube or Netflix, where a library of content is available. Viewers choose what they want to watch, and then they play it back on their own time.



on-demand workouts

PROS

- Can produce multiple videos at once, creating an efficient use of your instructor's time.
- Videos may be viewed on the client's schedule.
- As they are filmed in advance, you have the opportunity to edit and avoid tech glitches.



CONS

- Lacks opportunity for community engagement
- Gives client the opportunity to stop and restart (or not...) the workout session.
- There is a LOT of free on demand content, perhaps with better production values.

Think about your client base, your instructors, and what methodology will best serve these segments. Personal training clients who are used to scheduling their sessions on their schedule will prefer having on-demand workouts at their fingertips. Group fitness clients who crave community will delight in the interactive nature of live streaming. Your format depends upon the clients you are serving.

How to Make It Happen

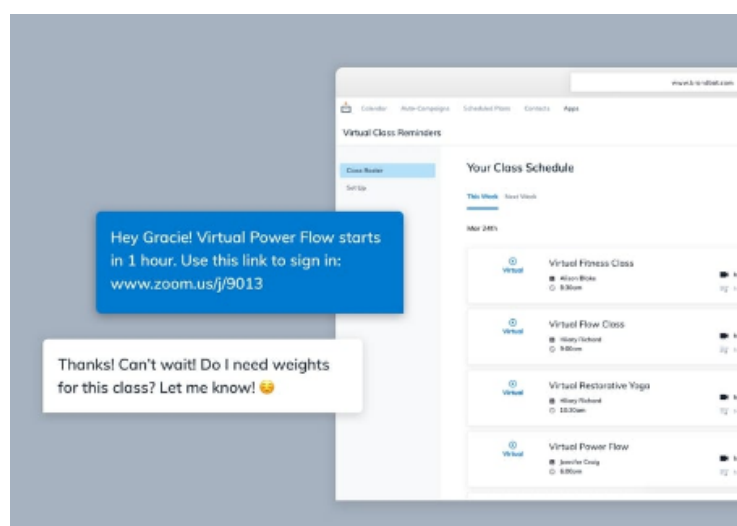
Now that you've identified your preferred class format, we will look at technology partners that can help you execute these plans.

LIVESTREAM OPTIONS

- **The Basics: Zoom**

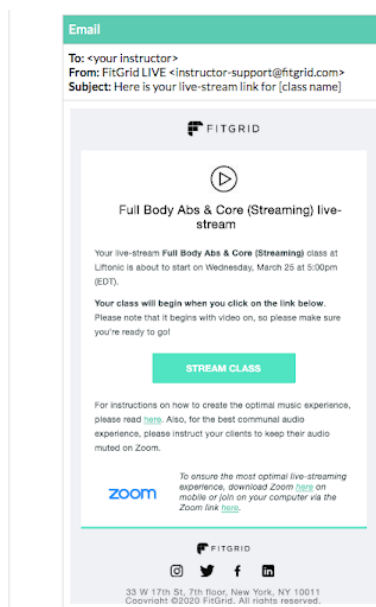
If you don't have a Zoom account yet, get on it. Everyone from school teachers to Grandma are using Zoom to stay connected with their communities. Zoom is the leader in modern enterprise video communications, with an easy, reliable cloud platform for video and audio conferencing, collaboration, chat, and webinars across mobile devices, desktops, telephones, and room systems. I recommend getting a Zoom Pro account, which gives you the ability to host meetings for up to 100 participants, with a duration of up to 24 hours. Pricing is \$14.99 per month.

- **Integration: BrandBot Live Stream**



BrandBot's newest integration allows you to organize all of your classes and live streaming links to power automated texts and emails to your customers when they sign up and before class. There is some manual work involved (you need to create meetings in Zoom and cut/paste the unique URLs into BrandBot), but the BrandBot interface is customizable, even allowing you to include a suggested playlist for each class. Pricing begins at \$99/mo and there is a free 30 day trial period.

■ Integration: FitGrid Live



FitGrid's newest integration connects your Zoom and MINDBODY accounts. It presents studio partners with a list of the classes on their MINDBODY schedule. Studios select which classes they'd like to live-stream, and FitGrid automatically creates a Zoom meeting for that class. When a client signs up for class, FitGrid automatically sends them an email containing the access link, while also sending a 'host meeting' link directly to the instructor. Pricing begins at \$149/mo and there is a free 30 day trial period.

IS THERE A CLEAR WINNER?

Having tested both BrandBot and FitGrid, I recommend both services to my clients. I like that FitGrid automatically pulls the links - less manual work for the owner. However, BrandBot has a leg up in the customization of the messaging. In addition to offering livestream integrations, both services offer sophisticated communication tools and different levels of auxiliary services: BrandBot offers landing pages and waivers, and FitGrid offers performance reporting and an interface that allows connection building between instructors, clients and owners.

In my opinion, both options are useful additions to any studio owner's tech stack.

ON-DEMAND

Yes, you could store your completed video files on AWS, YouTube or even Google Drive, but that's a little "basic" for a dynamic studio owner like you. Thinking of your on-demand programming as a way to engage your community and attract new clients, I recommend a service like Vimeo OTT that gives you the storage space to manage your growing video library, while offering seamless payment processing. Vimeo OTT securely accepts credit cards and in-app subscriptions, so customers can subscribe on any device. Pricing begins at \$1 per subscriber per month.

IN CLOSING

There are many options available, and more on the way. Consider what is best for your organization, with a hearty emphasis on the needs of your clients and instructors. Kick aside any perfectionist tendencies and focus on delivering a product that will engage and retain your community.

ABOUT THE AUTHOR:



Chris Beer, the founder of B.Well Consulting, has a diverse background that is rooted in finance, driven by data, grounded by giving, fueled by entrepreneurial passion and made possible by hard work and grit.

After a 20 year career in finance, Chris became a MINDBODY-Certified Business Consultant to further her ability to help fitness and wellness owners make data-driven decisions that propel their organizations forward. Chris specializes in the development and implementation of business operating systems -- your company's unique way of doing things -- how it operates, goes to market, produces and deals with its clients. An effective business operating system transcends the people who are doing and managing the work, and is more valuable as a result.

A business that effectively operates without you is always more attractive to public and private sources of capital.

Driven to be humble and helpful, B.Well Consulting works with small businesses to create more success while working more efficiently and gaining a better understanding of what drives their revenue.

DIFFERENT OPTIONS FOR PRICING YOUR VIRTUAL FITNESS

ROXY BORGER

FOUNDER, LIBERATE CONSULTING



DIFFERENT OPTIONS FOR PRICING YOUR VIRTUAL FITNESS

Congratulations to those in the health, wellness, and fitness worlds who have been able to make the transition to offering virtual services online in this time of forced business closures during Covid-19. Way to turn those lemons into lemonade! If you aren't there yet, chances are you are interested in trying it, and there are a lot of different ways to do this. In this article, I'm going to spell out some common opportunities surrounding setup and pricing for offering your services online.

THIS CAN BE FUN!

This is a great way to continue offering services and connecting with your clients during an unprecedented time. It can encourage community, add value to your brand, and keep revenue coming in. It's not as hard as it seems to set everything up: you just need to

✓ **test it** ✓ **document your learnings** ✓ **do it again**

Zoom is great for offering virtual sessions and recording them to offer down the road. **Vimeo Pro** is a popular resource for storing and offering video recordings (and can also accept money). Before I started teaching virtually at different studios, I took the time to offer a free class for a friend's birthday party. I also recorded myself teaching that class, then (painfully!) watched it and took notes on what to do better next time. Let's just say I learned a lot!

THINK BEYOND TEMPORARY

A lot of studios are offering virtual classes and recordings as a stopgap measure to help them bring in revenue and keep client continuity until they can reopen their doors. While I understand this approach, I invite you to come up with a clear plan for doing this today, and, perhaps just as importantly, what will it look like when you do reopen. It will serve your business better if you think of this time period and what you're offering in it as something that may last for a long time, and thus, something that pays dividends to your business indefinitely.

QUALITY STILL MATTERS

You should maintain the same quality controls you have for your regular sessions. For example, create a one page document of best practices to help your teachers in leading a virtual class and/or recording a session that includes administrative tasks as well as quality-of-session suggestions. For example, I didn't know I could tell Zoom to keep focus on me as the teacher 100% of the time throughout my virtual class, instead of changing focus to whomever is speaking. And now I know that when doing a virtual class, I can still use clients' names and make suggestions for form. Other considerations: how should your instructors deal with audio? Lighting? Attire? All of this needs to be tested and spelled out (*BFS NOTE: Read on to Sue's Do's & Don'ts to share with your staff*). Chances are, not all of your teachers will excel at this, nor want to participate, but you can make it easier for them to join this new movement in your company if you empower them with knowledge.

MEMBERSHIP PRICING

If you are adding virtual classes and/or an online video library as options for your customers, you are in essence adding value to your existing brand. Yes, right now, people aren't getting the in-studio experience that's usually the core of your value proposition, but that will be back soon enough (we hope). It makes the most sense to try to keep members and all clients at existing membership prices, and encourage them to participate in your online offerings with their current packages/memberships. Reach out to existing members and let them know how grateful you are for their support, and let them know how easy it is to access these online options; maybe even offer them free equipment rental as an ongoing member if you have the ability to do that. That said, you can also give your members a clear and easy option to put their membership on hold or to cancel it, in case they need to.

ONLINE-ONLY MEMBERSHIP PRICING

I would suggest you offer an "online-only" version of memberships too for your video library, similar to how the larger franchises offer it. Whether it's available to the general public or not is up to you. One strategy is to start out only offering your "online-only" membership price to existing members who ask to go on hold or cancel. Like a behind-the-scenes, save the day option. As you see more and more clients requesting holds or cancellations, or asking about this price adjustment option, this implies that it's time to adjust your strategy and maybe offer it as an option to everyone. In short, keep membership prices the same until the volume of clients who are on hold starts to really decrease/change. If that starts to happen, you can offer everyone the online-only membership price, and then ask them to contact you to take advantage of that offer (this will increase your interpersonal interaction with your core client base, and allow some human contact and community-building within the process). When you release your online-only option, make a big push to sell it to your entire client contact list, and push some social media marketing forward to show people you are offering something of great value for a very limited time.

OVERALL PRICING

I also think it makes sense to let clients use class cards or buy drop ins to participate in online offerings. Figure this out somehow on the back end and keep it as simple as possible. You can let clients pay in one place and get access in another (*BFS NOTE: FitGrid Live automates this for you to keep payment and class access all through MindBody*). Most online storage platforms will allow you to audit and see viewership. You can weekly or daily go and make sure people aren't accessing content who shouldn't be. I would rather have too many people try to participate for cheap or free in my online sessions and cut them off later, over losing prospective clients who want to participate but get sick of dealing with my convoluted technology and policies.

BE ORGANIZED

Let your clients and prospective clients know what you are offering and how easy it is for them to participate. This means keeping in communication with staff, updating your website, sending e-mails, and updating social media, at minimum. I have seen a lot of people send invites to a virtual class the day before it's being offered. This is not enough time for people like me to arrange child care, or to adjust home and work schedules. I will say this about everything and anything studio related until the end of days! **Be clear and organized in what you offer.** You should have your April schedule online and ready to go now. On demand options can have a dedicated website where details are spelled out.

ONE-ON-ONE

If you offer one-on-one services, can you offer your sessions virtually, through Zoom, at the same prices you had before? If you can try it, do. If not, can you focus on sales and booking for beyond the studio closures? Everyone can start by creating and sharing helpful content that can be used indefinitely with your marketing. If business is down, focus on offering some introductory offer and market what makes your service uniquely excellent. You can target your local market and beyond, test and see what works. You might have to get creative with equipment. This is a great opportunity to connect with your clients in a new way and learn how to translate value and connection online. I hope you find a way to embrace it!

ABOUT THE AUTHOR:



On a mission to help businesses thrive, Roxanne (Roxy) Borger has worked with boutique fitness businesses for more than 15 years. Borger co-created MINDBODY University (Wellness Business Intensives) and the MINDBODY-Certified Business Consultant Program, both of which successfully have helped thousands of businesses enhance viability and profitability since 2006. Borger's also a self-taught entrepreneur who accomplished her dream of owning a yoga studio, which she ran effectively for five years. She aims to be the business-partner-friend-adviser she so desperately needed while running her studio on a shoestring budget. Borger tenaciously survives bootcamps and motherhood in San Luis Obispo, CA, while also sharing the knowledge she's gained at industry events, webinars and conferences.



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WORKING OUT MUSIC RIGHTS FOR VIRTUAL FITNESS CLASSES

WAI L. CHOY & DANIELLE MOSS
PROSKAUER



WORKING OUT MUSIC RIGHTS FOR VIRTUAL FITNESS CLASSES



As COVID-19 continues to drive state-mandated closures of “non-essential” businesses (including fitness studios) and social distancing has become our new normal, fitness and human connection are more important than ever. Thankfully, due to the wide range of digital platforms currently available, including social media, group video chat and content streaming services, there has never been an easier time to remotely interface with family, friends and clients.

This has provided a technological means for businesses, such as fitness studios, to continue serving their clientele while their physical locations are closed. At the same time, for studios that rely on playing music during their classes or sessions, this shift from in-person to remote video or audio classes raises additional legal issues that studios may not have dealt with before. Practically all music that studios play (and certainly all the latest hits that studio-goers may be hoping to hear) is protected by copyright. In addition to the “public performance” licenses that studios may already have covering their on-premises playing of songs, making the jump to digital media is in many cases likely to require additional copyright licenses.

A studio could, of course, side-step music copyright issues in the streaming or download context simply by not using any copyright-protected music. Instead, each class participant could separately play music from their own personal music collection or streaming account. For those studios that want to keep their virtual classes consistent with the experience of their on-site classes by playing curated music for class participants in sync with the instructor, though, studios will need to consider the issues outlined below.

Understanding what constitutes unlicensed use, what the consequences are and how to navigate the legal issues is important, especially as developments in technology and stricter monitoring by digital platform providers have made it easier for rights holders to identify infringement and enforce their rights. This article provides an overview of some key United States music copyright issues in the fitness class context and outlines some general practical steps that studio owners can take. Music licensing is one of the most complex areas of copyright law and is fact-specific, however, so studio owners should seek legal advice tailored to their circumstances.

WHAT ARE THE RISKS OF COPYRIGHT INFRINGEMENT?

- **Financial Liability:** Copyright infringement can result in a lawsuit, which may require significant litigation expenses and result in multi-million dollar liabilities. For example, the owner of a copyright in an infringed song may be entitled to \$750 to \$150,000 in statutory damages per infringed song (without the copyright owner having to prove any financial loss), or, alternatively, the amount of actual damages suffered and the infringer's profits. In addition, if the judge awards it, infringers can also be required to pay the copyright owner's attorneys' fees and court costs.
- **Lost Investment in Content Production:** Studios that invest time and resources in developing video content that incorporates unlicensed music (such as for on-demand streaming or download) can be forced to take down and cease using their infringing content, resulting in a wasted investment and a reduction in the portfolio of content that the studios can make available to their clients.
- **Reputational Harm:** A studio's brand and the goodwill associated with it can take a hit if it becomes known as a copyright infringer or is forced to adjust its operations due to copyright infringement (e.g., to cease playing popular songs or remove content).
- **Criminal Liability:** Although not frequently charged, "willful" copyright infringement can be a federal criminal offense for which infringers may be prosecuted.

WHAT COPYRIGHTS ARE IN A SONG?

From a legal perspective, each pre-recorded song is in fact made up of two main components, each of which is separately protected by copyright:

- the "musical work" (i.e., the composition and the lyrics), which is often owned by the music publisher; and
- the actual "sound recording" of a specific performance of the musical work (also referred to in the music industry as a "master"), which is often owned by the record label.

A copyright gives its owner a number of exclusive rights (with certain exceptions) to itself exploit, and license others to exploit, a musical work or sound recording in various ways. Most notably in the context of in-person and virtual fitness classes, those rights include, for example, the rights to:

- reproduce the musical work or sound recording;
- prepare derivative works based on the musical work or sound recording;
- distribute copies of the musical work or sound recording;
- in the case of a musical work, publicly perform it; and
- in the case of a sound recording, publicly perform it by means of a digital audio transmission.

“Public performance” includes not only playing music in a forum that is open to the public, but also playing it for a substantial number of persons outside of a small circle of family and friends, whether in person or through transmission (e.g., through Internet streaming), even if to individuals in different locations or at different times.

IN-PERSON, IN-STUDIO CLASSES

To play a copyrighted song at a studio for in-person participants without infringing copyrights, the studio operator must have a license to publicly perform the musical work of that song.

Free and subscription music streaming services, paid digital downloads, CDs and records typically provide a license for private personal use only. Playing from those sources at a studio could constitute both copyright infringement and a violation of the governing terms of service or license terms.

In the United States, most musical work owners (e.g., songwriters and publishers) are affiliated with one of three major Performing Rights Organizations (“**PROs**”): ASCAP , BMI and SESAC. The PROs represent the rights holders of musical works and manage licensing of the right to publicly perform them. PROs offer “blanket” licenses covering their entire catalog of musical works, which give licensees the right to publicly perform any or all of those musical works (including by playing sound recordings of them) an unlimited number of times, for a fee that is determined based on a number of factors. The alternative would be to negotiate with each of the copyright owners separately. This would likely not be practicable or cost effective, especially if studios want to be able to play the latest hits when they are released. Each PRO represents the rights to different musical works, so if a studio wants to be able to play the broadest range of songs possible, it may wish to obtain public performance blanket licenses from more than one PRO.

Blanket licenses from the PROs, such as those specifically written for fitness studios, are typically narrowly drafted to permit public performance of music within the specifically-identified premises of the studio only. They may expressly exclude any right to publicly perform the music in alternate locations or via transmission to viewers outside of those identified premises. As such, a studio should not assume that its PRO blanket license is broad enough to permit the streaming of classes to those at home, even on a purely live, non-recorded basis. Further, the PROs represent only the copyright owners' public performance rights in the musical works (not any other rights in the musical works or any rights in the sound recording or master), so they are limited in the scope of rights they can grant.

LIVE STREAMING, ON-DEMAND STREAMING AND DIGITAL DOWNLOADS OF CLASSES

The use of copyrighted music in live streaming, on-demand streaming or downloadable content of classes raises nuanced legal issues. For example:

- **Public Performance Licenses Likely Insufficient:** That usage most likely is not authorized (or is expressly prohibited) by a studio's "public performance" blanket licenses from the PROs, which often limit the public performance license to the licensed studio's designated premises and the people physically located within it. A studio instructor streaming a class from the studio's premises to participants at home, or conducting a class from a physical space other than the licensed studio location (e.g., from home), may not be covered by the license.
- **Making Copies:** On-demand streaming and digital downloads of classes involves the incorporation of the music into audio or audiovisual works and the distribution of copies. Depending on the nature of the specific use, this would require additional licenses to the musical work and sound recording, such as those referred to in the music industry as a "synchronization" (or "sync") license with respect to the musical work (to allow synchronization of the musical work with video), a "master use license" to reproduce the sound recording and/or a license to digitally transmit the sound recording. Obtaining those licenses can be time consuming and costly. Unlike the blanket public performance licenses, these licenses generally need to be negotiated with the specific copyright owners of each musical work and sound recording, and those rights may be owned by different, and/or multiple, parties. There are, however, a number of online music licensing services that facilitate the easier and cost-effective licensing of broad rights to stock music or less popular music, which may permit some or all of the uses noted above. While that music may not offer the same appeal as the latest radio hits, studios may find that it suits their needs and succeeds in creating a similar mood or energy.

- **Legal Implications of Digital Platform Use:** Even where a studio's license permits live streaming of classes, a digital platform through which the live stream is transmitted may not be truly live-only. If, for example, the platform creates a recording or copy of the live stream (e.g., to make it available for non-live viewing or downloading, or in the process of facilitating the live stream), all the issues raised by on-demand streaming and digital downloads will need to be considered. Certain platforms, for example, by default save a copy of live streams as they are being streamed, to enable users to jump back to an earlier time in the video or view the video on demand at a later time, so it is important to check the settings and options of each platform.
- **Digital Platform Terms of Service:** To the extent digital platforms, such as popular audio or video chat or streaming platforms, are used to provide access to the fitness class, care will need to be taken to ensure that use of those platforms complies with the terms and conditions governing usage of that platform (often called "Terms of Service" or "Terms of Use"). Many digital platforms have implemented automated and other monitoring measures to identify and take down infringing content.

PRACTICAL STEPS TO TAKE:

As studio owners consider the numerous options they have to continue to engage with their members and clients remotely, they should carefully review:

- the terms of their existing music licenses, to understand the limits of permitted usage – licenses can be written in many different ways, and the specific wording can make all the difference between copyright infringement and licensed use;
- the way in which each digital platform used to make the virtual classes available operates (e.g., whether live streams are recorded, and, as a technical matter, how live streams are actually achieved), and any copyright issues raised;
- the "Terms of Service" or "Terms of Use" of each digital platform, to understand what rights studios may be granting to their content, as well as what other terms and conditions apply;
- which manner of making virtual classes available is the best fit for the studio from legal, business and user experience perspectives;
- whether music that can be more easily and cost-effectively licensed for the studio's purposes (e.g., stock music or other less popular music that be licensed through online services) is sufficient;

- how the laws of non-U.S. jurisdictions may apply, if class content may be consumed outside of the United States; and
- which additional music licenses are necessary, and how to ensure that those licenses are obtained from all the necessary copyright owners.

ABOUT PROSKAUER:

Proskauer's cross-disciplinary, cross-jurisdictional Coronavirus Response Team is focused on supporting and addressing client concerns. Visit our **Coronavirus Resource Center** for guidance on risk management measures, practical steps businesses can take and resources to help manage ongoing operations. Please feel free to reach out to the undersigned for further information, and stay safe.



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MARKETING & COMMUNICATION STRATEGIES FOR VIRTUAL FITNESS

KARI MILLS & EMILY STUBLER

SWEATCONSULTING





MARKETING & COMMUNICATION STRATEGIES FOR VIRTUAL FITNESS

We're all steeped in uncertainty during this global pandemic, but one thing is certain: people crave community and connection, especially when it comes to fitness, which is why they likely selected your boutique fitness studio in the first place.

As temporary studio closures continue to evolve, and doors remain closed for traditional brick and mortar business for the time being, it's imperative to identify creative solutions to weather the storm and come out stronger on the other end. Many studios and instructors have started offering free virtual classes, and now, in order to stay in business, many must also transition their once-free streaming content to a paid model.

Although most members will understand the studio's need to drive revenue, the landscape of premium free digital fitness that already exists plays a role in this conversation. For that reason, studio owners and managers need to continue to drive brand loyalty and bring as much of the studio experience into their living rooms as you can, in order to continue fostering your community digitally.

With a captive audience across any and all digital platforms, take this time to reconnect with your clients and share your brand story with them once again. Remember, they chose you (and your team) as their sweat community for a reason – remind them what that reason is.

Most fitness journeys are emotional, personal, and highly valued. This is your chance to really get to know your community and find creative ways to build a bond stronger than ever.

Marketing Tips and Tricks for Transitioning Your Members to Paid Virtual Offerings

- 1 Be as authentic as possible:** We are all humans. Don't be afraid to get vulnerable with your community. Remember, they are feeling as lost and vulnerable without you as you are without them. Let them understand what is going on with your business and why it's important to you.
- 2 Foster your fitness community:** Build community around the new paid offerings. You own so much data on your clients. When they usually visit your studio, which clients are usually in class together, how often do they come, who typically teaches those classes etc. Tap into this data to show you really know your clients and want to help serve their old "normal" as much as possible. Build communities around the teams they are used to seeing in-studio. Imagine how exciting it would be to log on for a 6 a.m. workout and you not only do you see your "regular" 6 a.m. instructor, but you also see your friends from class. In a time where we are all craving something familiar, deliver what you can here!
- 3 Leverage digital platforms:** Eliminate the surprise around the change from free to paid offerings. Tap into email, social, text, and any other communication platforms you own to ensure everyone is aware of the updates and the reasons behind them. Make your emails personalized – your email platform has features to help you here, use them. This is a great way to communicate a free trial period (i.e. 1 class), referral bonuses (i.e. bring a friend to virtual class, get one class free when we reopen), and any other creative ideas you have.
- 4 Value Proposition:** There needs to be something more offered in the paid-for model versus the formerly free model. If possible, film content in the studio space with good lighting, music, and any other atmospheric elements your clients are used to. If not, do anything you can to ensure quality (e.g., create standards for instructors filming virtual classes around space, lighting, music, etc.) There should be a sizable difference in experience from what you were previously offering for free. As best you can, bring the studio experience into their homes. Drive enough value here that this revenue model becomes a viable incremental piece of your business moving forward.
- 5 Communication:** Talk to your clients and keep them abreast of the situation and what they can expect moving forward. Get and keep them excited about your classes again. Shoot them texts, emails, DMs if you don't see them signed up. Make sure you let them know how critical they are to your experience and how much you appreciate them!
- 6 Follow-up:** A "Thank You" goes a long way. Post class, share a thank you however you feel most appropriate. Your entire community is adjusting to a new normal. Be empathetic to that and also grateful to those still supporting you through this tough time.

ABOUT THE AUTHORS:

Kari Mills, of Sweat Consulting has spent most of her life inside and outside the lines of sports and fitness. After playing softball in college and professionally, she went on to manage fitness clubs, and oversee expansion of new facilities. She then moved to corporate America as a fortune 50 marketer working for Gatorade, in sports and fitness marketing partnerships. Most recently she is working for Life Fitness on global product innovation focused on On-Demand fitness, and the virtual fitness landscape. She believes that best fitness brand and product experiences are rooted in empathy and an intuitive user experience.



Emily Stubler, of Sweat Consulting has deep roots and passions in competitive sport and fitness which she brings to her work. Emily's brand marketing and brand management experience includes working with brands like Pepsi, the NFL, and Fitbit. She currently leads brand strategy as the director of marketing for Iconic Protein and teaches group fitness at Equinox. With a background in fitness, technology, and experiential marketing, she believes the best brands are ones that have a direct line into a consumer's heart. Ultimately, her focus is on creating an emotional connections between brands and consumers.



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CASH FLOW PROJECTION TOOLKIT

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WHY USE A CASH FLOW PROJECTION?

The survival of your business is contingent on not only having positive cash flow but also a solid understanding of where your money is going each month. Even in this time of uncertainty, a firm education on cash flow and the impact this has on your business is the first step in providing a clear path to make it through these unprecedented times. This Cash Flow Projection Tool will help you lay out your cash flow to plan for the short term, as well as the long term. It will give you a tangible understanding of how your business is performing and will highlight the areas of improvement that are within your control.

You will want to take action and use this Cash Flow Projection Tool because as your current model and offerings pivot to a virtual or online model, it can be a huge challenge to understand exactly where your business stands financially today, next month, or even a few months down the road when we are back to our normal routines again. A better understanding of business performance, with the help of a cash flow analysis, will help you make better decisions. It's easy to bury our heads in the sand when it comes to the numbers or financial focus, even when our studios are up and running during normal times; however, understanding what is going on within the business from a financial standpoint will help you take some control back, even with the uncontrollable nature of these times.

WHAT IS CASH FLOW?

Cash flow is the pulse of the business. The term cash flow refers to the flow of cash in and out of the business. A cash flow statement is a financial record that can tell you how your business is performing. It's one of the most important reports in your business. Think of a cash flow statement like an organized snapshot of your bank statement. Depending on the detail of the report you can grab snapshots to compare the performance of your business over time.

LET'S BREAK DOWN THE CONCEPT OF CASH IN AND CASH OUT:

Cash In

Cash flow into your business comes from your customers when they pay for your products or services. If you have extended credit terms for a client to pay after the purchase, you are also receiving cash in from your accounts receivable (money owed to the company).

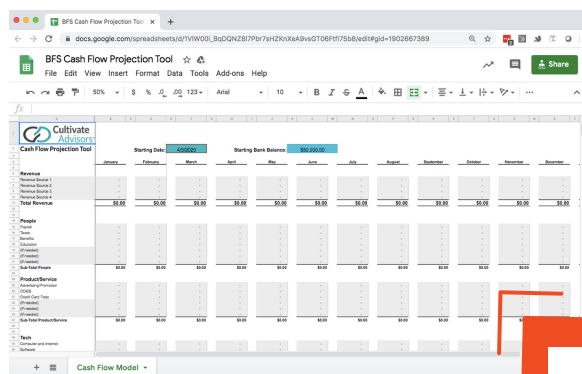
Cash Out

Cash flow out of your business is usually due to expenses like rent, payroll, supplies, taxes, and other bills from accounts payable (bills due from the company).

Your business goal, just like your personal goal, should be to have more money flowing in than out. When you have more money flowing in than out, this is referred to as positive cash flow. The opposite result is negative cash flow, which is what we're trying to avoid.

If you've already taken your studio to a virtual model, this will be a new revenue source to generate your cash flow projections. Hopefully, you have retained your loyal members through your continuous efforts and virtual engagement. Ideally, with the proper sales systems and techniques, you can gain an even broader reach because you've eliminated the physical proximity limitations of your brick and mortar, thus presenting an optimistic and positive cashflow scenario. Potentially, you will realize that this can be a sustainable offering and extra revenue stream that can provide value to your clientele, even when this crisis is over.

HOW TO USE THE CASH FLOW PROJECTION TOOL:



**CLICK HERE TO OPEN THE SHEET
AND CREATE YOUR OWN COPY OF
THE CASH FLOW PROJECTION TOOL**

Prior to getting started, you will want to grab whatever information you have. If you use accounting software, you can generate the Profit and Loss as well as Balance Sheet to quickly get started. You will also want to use your gym management software to gain real-time metrics as you've navigated through the last few weeks on a virtual model. If you don't have accounting software, you can use your gym management software, along with your bank and credit card statements, to manually start entering the data.

- 1** Gather bank statements and a P&L statement for each month in the current year. Run your detailed sales reports on a monthly basis for January and February, along with a weekly detailed sales report for all of March. Having all the reports and data ahead of time will save you additional time during the entry process.
- 2** Using this tool, the major takeaway is that you will input data into all of the grey cells. In some areas, a few extra rows are included and can be renamed, added to, or removed as needed.
- 3** In Cell E2, enter the current date
- 4** In Cell K2, enter the beginning bank balance
- 5** In the Revenue section:
 - a.** Enter the names of the various revenue streams for your business. You can get as detailed as you would like, but for the purpose of this exercise, you may want to keep it simple to something like: Studio Classes, Virtual Classes, Retail Merchandise. Add/Remove lines as needed.
 - b.** Enter the totals of each revenue stream for each month beginning with January.

- 6 In the Expenses section:
 - a. The expenses are broken out into People, Product/Service, Tech, and Admin
 - b. Rename, add or remove as needed.
 - c. Begin entering the data from each category under People, Product/Service, Tech, and Admin.
 - d. *This is also a good opportunity to look at all of your expenses that can be dropped while your brick and mortar studio is closed. For example, if you have a cleaning or towel service, and you are not using it currently, you should most definitely drop this service until we are "back to normal." Dropping unnecessary expenses will ensure that your cashflow is in a healthier position.
- 7 You should now have a basic Profit and Loss (P&L) statement bucketed out by month. We plan to take this a step further to track ALL cash in and out of the business.
- 8 In the Balance Sheet Items area, start entering items listed that won't appear on your P&L. For any category not listed, you can use the "Other" row unless it's a major item on a monthly basis. In that instance, add an additional row.
- 9 Take a look at the Cash Flow Rollup toward the bottom. This section will give you a summary of how your business is doing right now.
- 10 **Pro Tip:** Accurate historical data should be input into the first three months of this year. Beyond this, you can play around with different revenue inputs and options, along with expense additions or deletions, to determine your financial outlook. There is no right or wrong way to use the predictive nature of this tool. It is simply a model to show you possible outcomes using the data that you feel is within your control.
- 11 **Pro Tip:** I recommend setting up multiple tabs, and mapping out different scenarios based on the unknown nature of now, next month, six months from now, and one year from now. (Simply copy and paste the Cash Flow Projection template into new tabs to keep all of the formulas intact.)
- 12 Upon completion, it's time for analysis:
 - a. How is your business performing from a cash flow standpoint prior to the crisis and presently?
 - b. Are you positive or negative cash flow?
 - c. Can you find any opportunities for new revenue growth within this current climate?
 - d. If you keep expenses the same and increased revenue, how would that impact your business?
 - e. If you keep revenue the same but made 3 adjustments on the expense side to improve cash flow, how would that impact your business?

CLOSING COMMENTS

The intention of this tool is to provide the ability to start breaking down your business and become more analytical with the data. The first step in making educated decisions based on the future impact of your business is awareness. With this awareness, you can model and test out different strategies. This exercise is designed to allow you to take back some control in your business. You can now predict the financial outcomes of any changes or pivots you've already made, or are considering to make, within your business.

Remember, knowledge is power. And while we're taking the time, energy, and effort to pivot our services, it's up to you to also take the time to reclaim control of the financial reality of your business. If you need help in navigating through this exercise, my team at **Cultivate Advisors** and I are offering free 1-hour advising sessions to all small business owners to help navigate through the next 30-60 days. As experts in partnering with small business owners 1:1 to weather these kinds of storms, Cultivate Advisors can help you manage cash flow and find innovative ways to not only survive, but thrive! **[Click here to book your free 1:1 advising appointment.](#)**

ABOUT THE AUTHOR:



MAURA VELLA is a Small Business Advisor at Cultivate Advisors and the co-owner of 105F Hot Yoga & Pilates studios in Chicago. Maura has been in the yoga business since 2006 and when she joined a business partnership, she endeavored a long journey that has yielded at least this hard-fought wisdom: finding a winning mix of perspectives and skills typically means assembling the right people, the right values, and the right strategies. This is what got her to a 7-figure multi-location yoga business. Maura enjoys great satisfaction helping other business owners tune into what's the right mix for them. Together, they work together like business partners, to layer in the systems and methods which propel their thriving business plan forward.



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LEVEL UP YOUR LIVESTREAM FOR THE LONG TERM

INTERVIEW WITH SUE HITZMANN

FOUNDER, MELT METHOD

WRITTEN BY LEANNE SHEAR





LEVEL UP YOUR LIVESTREAM FOR THE LONG TERM

Sue Hitzmann, creator and founder of the MELTMethod, has also built a multi-million dollar empire out of OnDemand content - so it's safe to say she knows a thing or two about video best practices. She spoke to BFS about the future of virtual video and the best ways to monetize this movement.

Today's current Covid-19 climate has business owners scrambling to get LiveStreaming classes and options out the door and into clients' homes and onto their screens. With all of the pitfalls of live streaming videos, also consider doing recorded videos for better quality if you have an online service or website where revenue generation is more lucrative.

Of course, many loyal clients are focused simply on the community they're missing IRL, and aren't as concerned with a perfect LiveStream class.

However, with the long view in mind, *quality really counts*.

Some best practices Sue Hitzmann recommends for producing quality LiveStream content:

- Make sure you have a **fast and stable Internet connection**: nothing is more annoying than an instructor freezing or cutting out mid-movement.
- **No need for fancy video equipment!** Recording can easily be done on a later-model iPhone, because they're operating as "4K," which is essentially HD quality (i.e., very high resolution video).
- For better audio quality which Hitzmann recommends using a **separate mic pack** (inexpensive micro linear PCM recorder such as the DR10-L Tascam mic) if you are editing in a program such as Final Cut X, Premier, or Imovie - audio can be edited in separately from video for a high quality of production.

- **Lighting** is key!
 - Avoid bright backlighting: light should come from the front.
 - Ideally, you are at least 5 feet from your backdrop for best lighting.
 - Hitzmann recommends investing in a Ring Light that comes with an orange filter for better skin tone and symmetry (\$100-150 on Amazon).
- Pay attention to **what you (or your instructor) actually looks like in front of the camera.**
 - Test out the background (a darker color may be better for a “pop”) view.
 - Wear the right attire: patterns and bold prints are a no-no, and make sure the color and type of workout outfit looks appealing to the at-home audience.
 - Make sure to do some test run videos to insure you are in focus and fully in frame.
- **Shoot in Landscape Mode** (hold your camera horizontally unless it’s content slated for Instagram; that needs to be shot vertically for the best outcome).
- Pacing is paramount! **Slow down and enunciate.** Avoid using fillers, which are much more apparent in video content.
- Be authentic and relatable: even if you can’t see a single participant, **talk to the camera and engage with the audience** as you would in a normal class.
 - Crack jokes, be authentic, be yourself.
 - Watch your videos from beginning to end to find out any quirks or unflattering habits you might have both using gestures or frequent phrasing
- **For the editing process,** Hitzmann recommends Final Cut Pro (Premier, or iMovie work too but iMovie has less features)--it takes about an hour to edit one thirty-minute offering but could take more when you first learn how to edit or how elaborate you want to get with your editing.
 - Don’t know how to use editing software? Plenty of easy-to-follow tutorials exist on YouTube.

The real opportunity during this crisis as everyone turns to LiveStreaming? Follow Hitzmann’s lead: eventually you can use LiveStreaming on social media and other platforms merely as a teaser to your evergreen business in OnDemand videos. She recommends any LiveStream be 20 minutes or less for viewer retention.

If you record (and keep!) live videos with great quality, you’ll amass a library of content that you’ll be able to lucratively leverage in coming weeks, months, and years.

ABOUT SUE:



Sue Hitzmann is the creator of the MELT Method®, a simple self-treatment technique that helps people get out and stay out of chronic pain. A nationally recognized educator, manual therapist, exercise physiologist, and founding member of the Fascia Research Society, Sue is the author of the New York Times bestselling book *The MELT Method*, which has been translated into eight languages and helped over 200,000 people lead a healthy, pain-free life. In 2001, Sue was inspired to create “homework” for her clients, which led to the development of the MELT Method – the first-ever form of Hands-off Bodywork®. Now with her bestselling book and the products Sue personally designed, anyone, anywhere, can take steps to restore whole-body efficiency and lead a healthier, more active life.

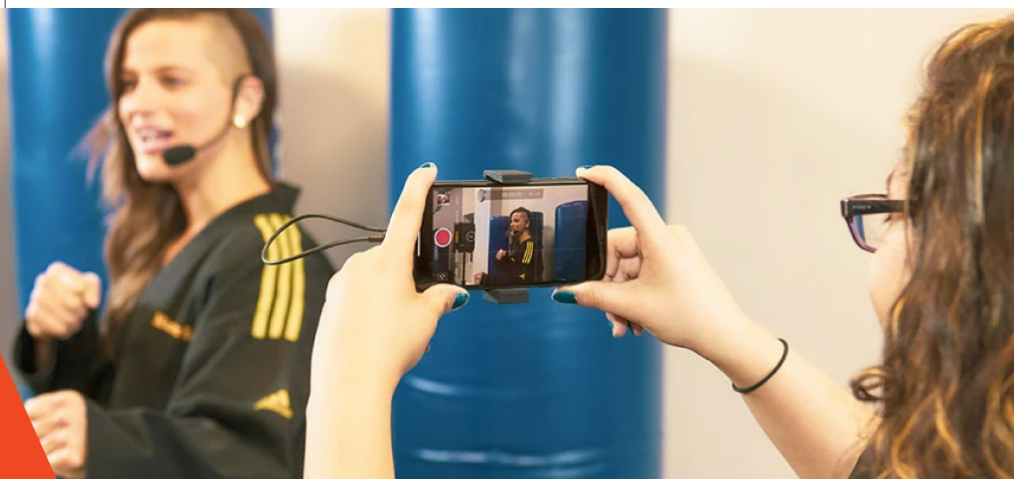
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QUICK TIPS & ONGOING SUPPORT FROM AV NOW





Virtual Instruction and Streaming Solutions



The team at AV Now is in a unique position to aid our industry in this transition to virtual fitness. After 25 years of servicing the industry and working closely with fitness instructors, they know the ins and outs of what you need to provide a high quality experience (and they speak our language). They have been working around the clock finding the best products to recommend for increasing the audio quality of live streaming.

In our current state of virtual fitness, you have probably seen multitudes of technical issues over the past few weeks. Most of us who have been used to seamless (*or at least familiar*) audio and technical setups in the studio are now trying to figure out how to replicate that high tech (*or again, at least familiar*) setup that you had in your studio out of your living room with nothing more than a laptop, iPhone, and maybe your personal headset. Not easy.

It's challenging to even find the right advice with these technical issues because they are so dependent on our unique circumstances: the model of phone you have, the software you use, the type of microphone you have, etc.

Zoom or other platforms certainly can't answer the question "how do I ensure my clients can hear me and my music?" So the team at AV Now set up their own experiment lair to replicate every possible combination of equipment used for at-home streaming to test and replicate your issues and is now working tirelessly to answer your questions and make the best recommendations possible.

Here is what you need to do to address your tech issues:

1. **Fill out this form** to tell the team all about your current set up and needs so that they can personalize your support and guidance.
2. **Browse the team's prepared kits** based on your needs. AV Now is also releasing a new category for Virtual Instruction and Streaming. Low cost, high-quality products to increase the music and voice quality of streaming live fitness classes.
Use promo code **BFS5** for 5% off at checkout!
3. **Reach out to the AV Now tech support** through phone (800-491-6874), the form above, email (sales@avnow.com) or [live chat](#)

In the meantime, here are a few quick notes & tips that the AV Now team has learned from their conversations with instructors making this transition to streaming from their homes:

LAPEL MIC

Yes, they may be a little outdated but lapel microphones are actually proving more successful with picking up music and an instructor's voice than headsets for at home live streaming.



MIXERS

Mixers (approx \$120) with USB outputs are providing the best balance of voice and music for at home live streaming. Just connect with your existing wireless mic, plug into an iPhone or iPod to play your music and into the computer you are streaming through and receive a great audio mix for your at home clients.



HDMI CABLE

Trying to lead your class while also checking their form? Connect your laptop to your TV with an HDMI cord to utilize your computer camera while watching your students through your TV for a larger image.





FITGRID LIVE

Live-stream your classes from anywhere, any time, from any device

HOW IT WORKS

With FitGrid LIVE you can automatically create a live-stream class, email live-stream links to clients and instructors, and handle payment through MINDBODY. Protect the community you've built and start streaming today!



An incredible platform that has helped us navigate the new world of online streaming workouts!" - Studio owner using FitGrid LIVE

FitGrid LIVE stats as of April 7:

In 21 Days, Fitness Studios Streamed 1M+ Minutes of Classes

1M+

Total live-streamed minutes

22k

Hosted live-stream classes

415k

Class links sent to clients

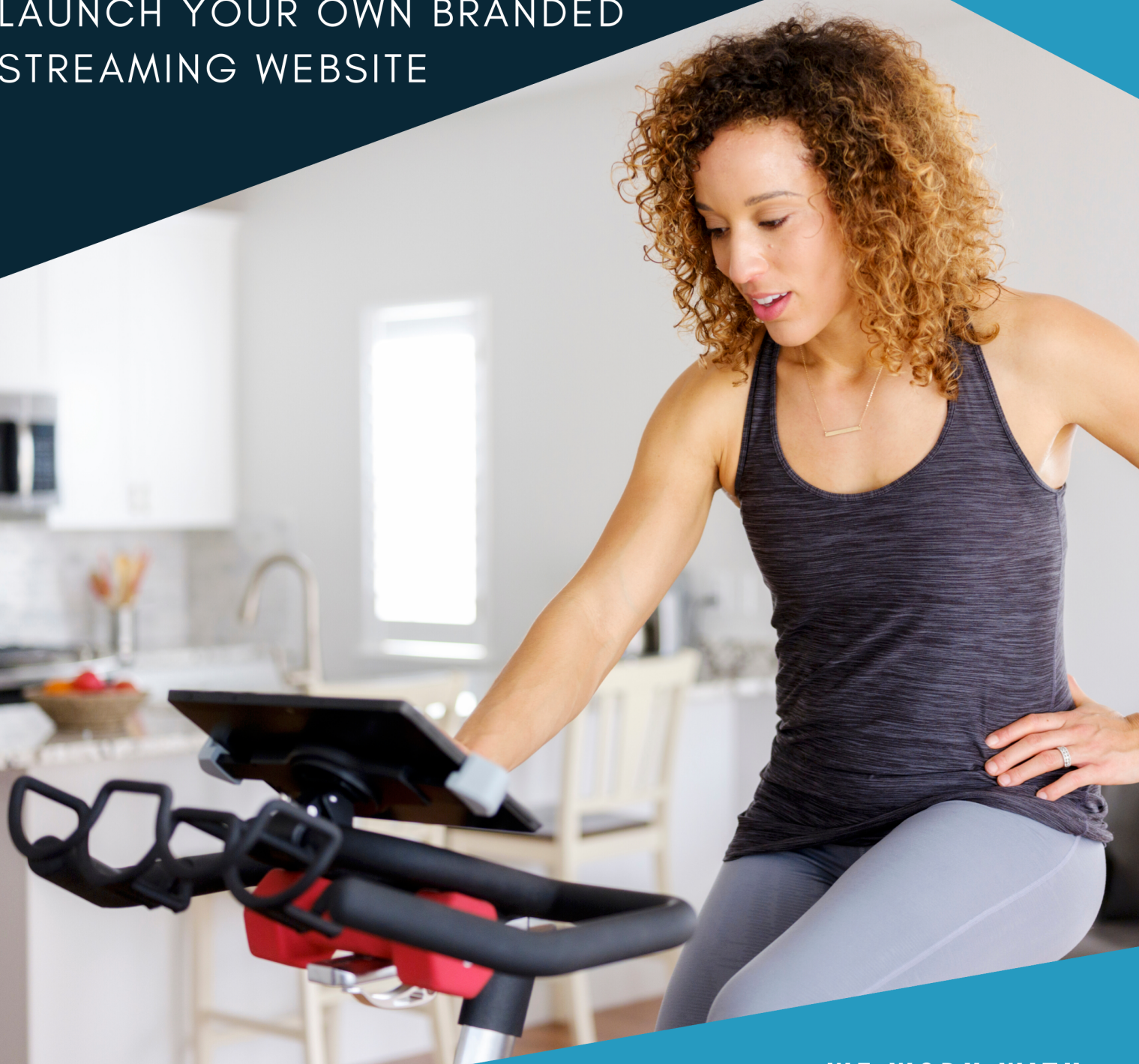
To request a 30-day FREE trial and learn more, visit <https://fitgrid.com/fitgrid-live/>



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BFSTM Academy WEBINAR SERIES

To keep the resources and information coming to you as relevant and up to date as possible, BFS Academy will be producing two webinars a week. Tune in to hear from subject matter experts and industry thought leaders to help address your top concerns and answer your most pressing questions.

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