



**Complete Transcript: HALO Talks with Bobby Verdun
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Pete Moore:

This is your host, Pete Moore. I am pleased and humbled to announce the launch of my one and only book titled *Time To Win Again: 50 Takeaways From Playing And Watching Team Sports To Guarantee Your Business Success*. Those of you who know me personally, and anyone who's listening to halo talks for any length of time, know that I am an avid sports fan and a big believer in the value of team sports. What I've seen over the past 25 years, helping businesses grow, raising capital, being an entrepreneur myself in coaching and mentoring executives in the sector. It's the lessons learned on the field perfectly applied to business entrepreneurs, executives, managers, you name it. Every company that's a strong company has got a good team. It's a quick read. There's also illustrations in there from our good friend Mark at www.crueltyfreecartoons.com. Go to integrity,sq.com, enter your email address, and we will send you information on the book and the entrepreneurs survival kit as well. Be great. Take names. Go HALO.

Pete Moore:

This is Pete Moore on HALO Talks NYC. I have the pleasure of having Bobby Verdun coming from Marblehead, Massachusetts industry consultant, veteran expert in independence, big boxes and helping chart out the future of fitness. Bobby, welcome to the HALO Talks!

Bobby Verdun:

Thanks. It's great to be here.

Pete Moore:

So why don't you start off giving us some of your background as a, as a coach and in team athletics, and then kind of walk us through your history and then we'll talk about some of the trends in the industry and some of the top things that you're parachuting in to clubs to help them with.

Bobby Verdun:

Thanks. Yeah, you know, I was a I was, you know, always the, the smallest and least athletic person on the court, whether it was basketball or tennis. And my only skill is competing. I love to compete. And athletics kind of kept me on the straight and narrow and grew up in Brooklyn, went to prep school here in the Boston area. One of going to Franklin Pierce and I was involved in the basketball program and the tennis programs there tried my hand at playing some professional tournaments after college and quickly learned that, you know, I can't compete in any close to that level, got into coaching was on a path to, to

coach professionally and my wife got pregnant and that was, it got out of coaching and wasn't sure what I was going to do. I started my career coaching in the Boston area, Steve Goldman who's the owner of Weymouth was building a club in Canton and said, Hey, let me use your name. I'll teach you the business. And that's how I got involved with it.

Pete Moore:

Got it. So, you know, as you've seen big boxes kind of go in and out of favor kind of view some of the smaller boutique operators as manual weapons of mass destruction, taking a couple of members here, taking a couple members there. I think the pandemic has probably shifted the weight back to bigger boxes that have more square footage, ability to repurpose that space. Maybe find out what some of the trends are locally that people like and then integrate them into an old racquetball court or re re package a basketball court, or what have you. So what are some of the positive initiatives you've seen deployed over the last six to 12 months? And what's your view on the future of an independent big box?

Bobby Verdun:

Yeah. You know, when something good always comes out of something, right. And out of this pandemic, I think we learned a lot about ourselves as an industry, a lot of our shortcomings. I mean, when you get grouped with casinos that tells you where we're at as far as profitability. And when it first happened, you know, we started to get a ton of phone calls from people desperate saying, what do we do? Because people were saying, keep open, stay open at all costs. While if your lifetime you can stay open because you can lose a billion dollars and still be okay, but the guy down the street, he couldn't stay open. So the first thing we did was we looked into ways that we could, could we open in an affordable way. And the first thing we talked about was reusing space in a different way, altogether, coming up with savings for cleaning products, for clubs we found loopholes in the law that enabled our clubs to not only stay with insurance because the number of uses weren't weren't happening anymore.

Bobby Verdun:

But also there were a lot of things out there that they could go back to their landlords and say, look, I can only open part-time because of laws telling me I can only park open part-time. So what do you go with that you, you take those lessons learned and you continue with them to grow in a way that's going to hopefully bring credibility to the industry. Medical fitness, I think, is going to be a huge, huge opportunity how we can bridge on not only after surgery, but pre-surgery opportunities, but you need space to do that. Even in the small gyms and you have to get creative, and I think that's what we're seeing.

Pete Moore:

So let's focus on this medical fitness, cause I've only been in the industry since 1999, and we've been trying to crack this code. I know that there was a company called Genovics trying to do something. I know that there are a number of number of hospital groups that, you know, they're all in. And then, you know, three years later they haven't gotten their act together on actually partnering up with commercial clubs. So is the, is the time finally now? And is there a model that you can point to that says this group's done it it showed success. It shown Dez profitable or is it still, you know, an idea, but but finally executable

Bobby Verdun:

Well from my seat and I'm learning about it every day. I think it's an opportunity for the industry. Big time. I think one of the things that, you know, that we see a lot is people put physical therapy into their facilities and go, we're a medical facility and that's just not, it you need a relationship within these. You need a relationship with the hospitals. You need a continuum of care is the term that we use quite often which is how to be, you know, an extension of physical therapy, how to be an extension of rehab, not only physical, but emotional support. And I think what we're seeing right now is a concentrated effort to extend that continuum. It's going to happen from both sides though. It can't just happen with, with one side saying, oh yeah, you know, come over here. If you can't get an appointment for physical therapy, it has to go beyond that. And 70% of people that go to physical therapy are deconditioned people to begin with. And they've probably never been to a health club in their lives. So we've got to break the code and I think it's in process right now. That's what I see.

Pete Moore:

Yeah. I mean, I think silver sneakers over time, like Medicare advantage somebody other groups are definitely targeted on getting, you know, seniors in, into the clubs. I think that's proliferating DDC. Are there any clubs that you work with that really have kind of nailed this off peak catering to other demographics maybe when it's not prime times?

Bobby Verdun:

Yeah. Down in Virginia, Jeff Jaron runs a club that I think has really done a great job with it. I forget the name of his club off hand, but he they do an exceptional job up here in the Boston area. I think Weymouth club has really gone a long way to improve their whole modality as far as bringing in medical doctors. Making sure that it's just not physical therapy, that they could get referrals there. And I think it's, it takes money. It takes an awful lot of, of meetings. You know, it's not just something that you can put in overnight. And I think these clubs that have done so are going to be a lot more insulated if something like this ever happens again, that they can point to their program and say, look, we are in this necessary program. We, it's not just the, the treadmills here. We've got medical programs that people are involved with, that people are coming for. I think that's really the motivation.

Pete Moore:

So given that maybe used to our view is that a lot of families aren't booking, you know, exotic vacations over the next 24 months to countries that they can't really diligence what the potential safety risks are. Do we view independent health club operators that have indoor outdoor space, tennis courts pools, you know, we'll be a direct beneficiary of people staying home, no one D D see that trend happening to do you see potentially groups having the guts to increase their prices, to understand that, you know, th they are catering to a demographic that's probably going to have higher usage of their facilities over the next several years.

Bobby Verdun:

Yeah. I definitely, I have colleagues that are in the travel industry and they completely agree with what you're saying, that people aren't gonna th this isn't over yet. You know, we've got the first wave over with, but this could come back in the winter time and people are still scared people around here where Masto. So you know, I think what I'm starting to see with independent clubs is, is a real focus on programming health clubs don't mean anything to people. Health matters to people. And I think to that end people are gravitating towards other people and programs that are successful. And, and yeah, if you have a successful entity, of course, you're going to have to improve, increase your, your brains because

you've got to keep things going it's not free. I think people will pay for quality and they'll pay for results. And I think that's what we're looking at right now, at least with the clubs we're working with.

Pete Moore:

Yeah. So with, with active entities, you want to talk about, you know, what a average assignment is, you guys parachute in, you know, what are some of the projects you are working on now, maybe on a no-names basis, just so we can pepper our audience here. If somebody sees an opportunity that they can't effectuate on their own, that they could potentially have you come in for.

Bobby Verdun:

Yeah. I, you know, we pivoted with COVID and we were, we're not just a consulting firm anymore. We're doing regional trainings now all over the place. One of the things that we're doing is we don't just bring in industry people. We've got fabulous industry people coming in to speak, but we also have at the next one, a psychiatrist come in and talk about depression. We've got a marketing expert that has never done anything in our industry, but has worked with people in, in Hollywood. So we're trying to mix not only industry thought processes, but expand the industry by bringing in partners that are way beyond the industry. And with that the, the regional things that we're doing are getting sold out. We're excited about them, but our typical person that comes in is a private owned club. It can be a chain. Again, we stay away from the \$10 discount people good luck to you, but that's not our thing. And we tackle everything from programming to personnel to KPIs to architecture, you name it. We've got somebody on our team. That's a lot smarter than me that can help you with.

Pete Moore:

So, you know, coming from your athletic background, w what are some of the best clubs that have really set up either leagues or, you know, intermurals, or, you know I'm sensing there's a, there's a big demand right now, pent up demand for people to be part of socialization competitive teams and leagues. I know that some groups are taking their basketball courts out. You know, what, what have you seen there and what do you recommend to groups that have that kind of square footage and thinking about optimizing it

Bobby Verdun:

Now where the impact is so great because you have outdoor venues, but when the winter hits, especially in the Northeast, that's when you're going to miss the things that you've taken away people have lost their habits, good, bad or indifferent. So I'm finding that people are coming back to clubs a little bit, lost a little bit, looking for some direction trying to gravitate back to what they did before, but have lost a step. You know? So I think that with regards to the better clubs that I'm seeing, they're expanding their program models significantly. They're focusing, they're respectful of the distancing that because we're still polarized in the country. Some people are, you know, wear a mask at all costs. Other people haven't worn a mask since February. So it's, it's a hard type of thing to maneuver because you never going to please everybody right now. And if that's your goal, it shouldn't be, your goal should be to do the right thing, put the best product you can out there and let people decide what they want to do. And I think that's where I see people get into trouble is when people try to please, everybody, you can't do it right now. It's impossible.

Pete Moore:

Yeah. So what, what are some of the words of advice that you'd give to, you know, independents who, you know, aren't part of a franchise, or maybe don't have a cluster of operators that they collaborate with. I know some of them feel like, you know, they've been on an island you know, maybe getting some advice episodically here and there, or listening to some webinars. Do you know, one is, you know, you got through the pandemic, you know, now what the second is, do you think that there's maybe an opportunity, some we've been hashing around to maybe set up a franchise or in the independent space where you got a similar name, same name, or it's powered by, you know, pick a, pick a name, you know, club entities, and really gives us support mechanism, both. But what are some of the key things that you're motivating people, you know, with or keeping them on?

Bobby Verdun:

Well, and by the way, I love that idea. I think that's all, I, I'm a hundred percent behind that. The first thing I say to people is it's not over yet. Don't, don't get caught up in what's going on right now. You've got a lot of people that have been displaced. 26% of clubs have closed. That's a real number. And so right now, a lot of clubs are getting new members from old members at other clubs that's gonna run dry. So you've got to prepare yourself for the fall and what are you going to do? How are you going to get de-conditioned people to come out of their houses, into your club? And so we're really focusing on that right now. The second thing we tell people is, is be prepared, you know, get your ducks in order, just in case something like this boat, let's say we have to cut back to 50% occupancy. What are you going to do? So we don't let it out of their minds. We keep saying, you know, in some of this is false hope right now with, with number skyrocketing in the middle of the summer. It's not even in the middle of summer yet beginning of summer, but that's going to end and we need to be prepared for what could happen. And that's really, our job is to remind people that we've got to prepare for the worst situation as well as the best situation.

Pete Moore:

Got it. So have you been on the road yet and seeing people in person and, you know, what are, what are some of the, you know, new projects that you've seen people put in, anything on the workout recovery side that you find interesting?

Bobby Verdun:

Yeah, I, I we have, we were the first group to do a live symposium at Newtown athletic club. Last month. People literally gave themselves a standing ovation sitting in the room. It was awesome. You know, wear a mask, but they, they were happy to be around people. As a matter of fact, people were saying, it just feels great to be around more than one person, you know, in different people that, that human connection. I mean, we talk about social distancing. It's the antithesis of what a health club is because we're not distancing. We're trying to bring people together. I've seen some great things with recovery. There's a, there's a group called thecovery down in Louisiana right now. That's doing some really cool things. I'm seeing a lot of clubs, opera recovery days where if you come into the club an extra day just to do recovery treatment and people are responding to that, I think sometimes just to be around other people. So yeah, I think that's a huge uplift and uptick. And I, and I look forward to working with groups to expand that model.

Pete Moore:

Awesome. You know, what, one more topic or issue that I wanted to get your advice on here. We've got a lot of government programs still in place. Obviously it was set up to ease the blow of COVID for entry-

level employees. At least in the state of California, there's a shortage of people that actually want to come back to work and financially it doesn't make sense for them to come back to work because they're getting too much government support. So have you seen clubs either maybe reduce the number of people and increase the pay that they want to grant? You know, maybe instead of, you know, probably for lack of a better analogy, but you know, I'd rather have a starting five team on my basketball team than 11 or 12 people deep on a bench. So I'm, I'm seeing that at least in some of the groups that I'm working with, that they're saying, look, I'd rather just pay out for somebody that's a multi-tasker and at wants to be here. And, you know, they'll dawned up doing more and, you know, maybe having a more experienced person at the front desk, isn't a bad thing, you know, especially since they kind of represent the forward face of my brand and I want to get people back in.

Bobby Verdun:

Yeah. You know, in, in basketball terms, I would say that before the pandemic, the top clubs had the big three, but now they can't afford the big three. So they go to the big two and they hope to fill in with as best they can. The number one thing that I'm seeing right now is that the clubs, the independent clubs are struggling to balance giving great service and providing excellent care and being able to afford it. And that is, to me, the greatest challenge of small clubs right now, you know, do I have that extra person at the desk between five and eight o'clock during the day, during the week while I can't afford that. So I've gotta have, I gotta have my manager up there, but in the meantime, something might be going on in the back room. He can't do whether she can deal with, so I think it's a real problem, a real balancing act that we work with clubs with right now.

Bobby Verdun:

And also to be honest with you, there's there, you know, with, even though with clubs that have closed, people are not rushing back to work and health, but right now, and there is a shortage of high level talent that I'm seeing. So what do you do with that? You've got to develop talent within, you've got to build up your minor league systems and try to keep people excited and in your system longer than you did before and invest in those people. And we really preach that and we try to provide as much guidance as we can with. Yeah.

Pete Moore:

Yeah. We, we, we echo that. So, so in closing here, do you got any good quotes that you live by or quotes that you usually tell other people that they know it came from you?

Bobby Verdun:

Oh man. I get a ton of quotes. I, I like famous a vapor. The only thing that indoors is character. It's one of my favorite ones. I think above anything else, we've seen a lot of things in the industry over the last couple of years that needs to change. And I, and I'm hoping that the new CEO coming in is going to draw some lines and make this feel a little bit more even than it has been. It seems like, you know, you've got the haves and the have nots and the haves that have been able to Excel a little bit by self promotion, I think as hard the industry. And I think what we need to do now is step back and get everybody under one slip in 10, right? You need the YMCAs to come in. You need the recreation departments to come in and you need the health clubs to sit at the table and you all need to say to each other, look, we need to do a better job presenting ourselves as a group of active entities of active living entities. Otherwise, if we continue to splinter each other, we're never going to get the credibility you need.

Pete Moore:

Yeah. Well I've been preaching the same thing. I mean, there's, there's three tenants that, that nobody could go against everyone's for hire flexible spending accounts, higher usage and you know, casting a wider net to, to solve obesity, diabetes and, and loneliness. So if we agree on those things, like there's no reason why we can't compete in the market but just bring more people in and let them select, you know, where they feel most comfortable. So, all right, well look look forward to meeting up in person here. Thanks for being on our halo talks and look forward to sending clients your way and we will see it ourselves.

Bobby Verdun:

Thanks for your thanks, David. I appreciate it. Awesome. Nice talking to you. Take care. Bye.