

# PROFILE: MindBody

Sometimes, stories just demand to be told. Why would we feature this software company in *MMA Business* magazine? Because we keep bumping into MindBody. First time was at Fight Summit last year in Las Vegas, then again at the MA SuperShow, and even at the IDEA Fitness World Convention in Los Angeles. Plus, the company was recently featured in *Outside* magazine as well as *Inc.* magazine.

We decided to find out more about this company, and ask the question, Why should MMA business owners care about MindBody? We spoke with Andres Moran, the company's Director of Business Development.

**MMA Business:** MindBody built its business with Yoga and Pilates schools. Though still in the fitness industry, you might say these are polar opposites of MMA gyms and combat-based businesses. How has the martial arts culture been received at MindBody?

**Andres Moran:** The great thing about MindBody is we're able to find people who are passionate about their healthy lifestyle. We have people on our team who do Muay Thai and Krav Maga, for example, and they'll share this passion with other team members at work. This sharing of passion and knowledge helps others in the company connect with our clients. So the MMA culture was received really well.

For every employee, MindBody gives monthly "wellness dollars" they can put towards training sessions, and they need to spend these dollars with our clients. Things get so crazy at MindBody because of the growth, we strongly encourage employees to spend this time and money on their health and fitness.

We see a little bit of ourselves in MMA business owners. They were



+ Andres Moran, MindBody Director of Business Development, stands outside the company's headquarters in San Luis Obispo, Calif. Employees get monthly "wellness dollars," and MindBody encourages them to spend at MindBody clients.

disruptive when they came into martial arts and fitness, and we were disruptive when we came into this business. There were established businesses in here already, and we came in to democratize software as a service.

**MMA:** How much of your business comes from the MMA industry?

**Moran:** We currently have about 15,000 customers, and last month we added more than 800. Yoga studios make up 20 percent. Pilates accounts for 13 percent. Fitness centers make up 22 percent. And martial arts training centers are 5 percent of MindBody clients. Our company's growth has been fueled by all of these specialty fitness concepts that have been breaking away from big-box fitness chains.

**MMA:** As customers of MindBody,

how do "member based" businesses differ? To your company, are MMA gyms really different than yoga studios? And does MindBody serve them differently?

**Moran:** I'm starting to see a convergence of business practices across different businesses. And we're not business consultants, but we do work closely with all our clients to help them succeed. For example, we encourage Yoga studios to sell less individual sessions or punch-cards, and more membership models. This helps stabilize revenue every month, regular dues become part of your student's budget and lifestyle, and it allows you to just focus on the members, and not on them updating their class punch cards.

To your question, the businesses are different, but the philosophy is still the same. And our philosophy is the

same as we look at these industries. We want to provide businesses with three things.

**First:** Attractive Pricing on a web-based model. You should not be paying a lot for software right now because of technology advances.

**Second:** Do-it-yourself tools. What you perceived to be complex 10 years ago is not complex anymore. Billing has been a big challenge with MMA schools for a long time, and we want to empower you to do your own billing – this will help you understand your business 100 times better. Because these tools have progressed so much, it is automatic and all you're really doing is monitoring it.

**Third:** A web-based platform gives you software anywhere and anytime. Innovation and creativity doesn't wait for you to get to the office, and this platform allows you to access and share your data.

## MindBody Facts

**Founded:** In 1998 by Rick Stollmeyer and Bob Murphy

**Located:** Company headquarters are in San Luis Obispo, Calif., with offices in Long Island, London, Singapore, Dubai and China.

**Clients:** 15,000 customers in more than 80 countries

**Growth:** 250-percent revenue growth in the last three years

**Misc.:** Outside magazine puts MindBody at No. 40 on its Top 50 Best Places to Work list, and Inc. magazine on its 500/5000 List, ranking No. 215 among software companies, and No. 1,184 overall.

**MMA:** How does MindBody interact with its customers? As I was looking around your website, taking the virtual tour, I noticed a few references to "Hey, we have real people here." Is that just marketing?

**Moran:** We want to make our software intuitive and easy to use, but there is still a complexity in understanding software. So we add people to help with the understanding.

Like Zappos, the online retailer, which at the core is about customer service. They became an overnight success through word-of-mouth marketing about great customer service. And that's why Amazon bought the company. Our founders met the creators of Zappos, and we sent some of our people to learn more about how they work. From that we created CXcellence, our Customer Service Excellence initiative. We have service standards and we monitor them.

Apple really initiated the idea of tracking the User Experience, the UX, and we're focused on making our software fulfilling so the UX is great, but also improving the customer experience so our clients are fulfilled and satisfied.

It's the same for gym owners. Your phone is your best marketing tool. If people have a great experience dealing with your people personally, it will fuel word-of-mouth marketing.

**MMA:** As you've become acquainted with MMA businesses, what is their biggest challenge right now? Where is the best growth opportunity in general for these gyms and schools?

**Moran:** At the MA SuperShow, we



did a presentation about the social networking tools. Many business owners understand this, but the biggest challenge is taking advantage of these tools to grow their business, even while these owners might be too busy to learn about it. These tools, they're just new tools to help you accomplish business fundamentals that have been around for many years.

There are three fundamentals for every business (1) generate leads, (2) get their interest, (3) and convert them to actual customers. This process never ends because you're always going to lose some customers.

Facebook and Twitter, that's to generate leads. All these things do for business is generate leads and create word of mouth. Understanding these new social networking tools is vital.

Another great growth opportunity is to understand that the world is moving into MO-SO-LO. That's Mobile, Social, and Local. How does your business play a part in that marketing? Mobile internet and social networking give people a very discreet way to research local businesses.

I just launched a Twitter account – @whatMBsees – and I'll work on sharing the things I see businesses doing and the ideas I see in new marketing and technology.

Business *itself* hasn't changed. The tools have. **mma**