DAY 4
VIDEO TRANSCRIPT

CHANGE MAKER ACADEMY

Day 4 Video Transcript

Hey there Change Maker!

Yesterday, we dove into the existing alternatives that your clients are currently using, the solutions you'll bring to the table, and your unique value proposition.

Today, we're going to create a high-pitch concept that will stick in the minds of your potential customers, define your revenue streams, and find the places where your customers hang out.

First, we're going to create your high-concept pitch.

If it takes you a long time to explain what you do, you'll lose people's attention very quickly.

One way to get around this is to craft a high concept pitch, or an analogy, that quickly describes what you do.

This one-line pitch originated in Hollywood, where movie producers commonly craft brief sound bites to quickly explain their vision.

For example, the movie "Aliens" was pitched as "Jaws in outer space."

Here are some other examples from Hollywood movies:

Ghost: a man dies and becomes his wife's guardian angel.
Liar Liar: a lawyer is forced to tell the truth for 24 hours.
Hook: what if Peter Pan grew up?

However, high-concept pitches can be used for virtually any business (not just movies). For example, when YouTube was getting started, it was often referred to as "Flickr for videos."

High-concept pitches allow others to understand what you do, very quickly.

And, if your customers become fans, it's an easy way to help spread what you do via word of mouth.

When making your high-concept pitch, make sure to keep it brief and to relate your offering to something people readily know and understand.

For example, imagine you were marketing to executive women who recently had a baby.

You might say something like, "It's like executive training for moms who want to champion their lives, their health, and their families."

Next, define your revenue streams.

How you price your offer will determine how your product is viewed and what type of customers you will attract. Separating your pricing from your product is nearly impossible.

To understand what we mean, let's look at a simple example.

Let's say you walk into a gas station to buy a bottle of water on a road trip and you see two bottles in front of you: one priced at $1 USD and another for $4 USD.

Even though both bottles contain the same ingredient (good old H2O), the price has the ability to develop the perceived value, or what the product is, in your mind.

For example, you might see the $1 USD bottle as something to simply quench your thirst, while the $4 USD bottle might be viewed as something that can make you smarter (e.g. SmartWater) or, perhaps, more sophisticated (e.g. Perrier).

Similarly, the price can dictate your customers — a person who would rather choose a $4 USD bottle of water is likely quite different from someone who would choose a $1 USD bottle of water.

When pricing your health & fitness products and services, it's important to do so in three ways:

1) Compare against existing alternatives.
2) Determine your cost of doing business and work backwards.
3) Test what the market will bear.

Let's walk through each one by one.

First: Compare against existing alternatives

When valuing your offerings, clients will naturally compare the price to other options.

Do your market research and see what your competitors are charging. This will give you an idea of what is deemed reasonable in your customer's eyes.

Keep in mind that these alternatives are based around the job that your clients are hiring your products and services to do. And those jobs may be serviced by other companies that lie outside of traditional health and fitness offerings like personal training or nutrition coaching.

Again, as we mentioned previously, if your clients are struggling with confidence, communication and boundaries, your competitors may actually include things like counseling.

So, it's important to really do your research to find out why your clients are really hiring you and what the real alternatives are.

Next, Determine your cost of doing business and work backwards.

Add up all of your business expenses , determine how many customers you'd like to work with, and divide the former by the latter.

This will help you see how much you'd have to charge each client to cover your costs.

As we mentioned earlier, your biggest fear shouldn't be not making any sales.

It should be selling something in high-volumes that is unsustainable and causes you to hustle without creating any long term value (or, even worse, causes you debt).

Getting an honest view of your costs early on will see if your business is worth pursuing in the first place.

Lastly, test what the market will bear.

While the first two methods will give you a great starting point, seeing how your clients react to your pricing in the real world will determine what you can actually charge.

For example, if you charge $199 USD/month and no one is buying your products and services, you may want to try lowering your prices slightly to see if you're able to earn more clients.

If, on the other hand, you're charging $199 USD/month, you're closing 100% of your leads, and you're struggling with capacity, you may want to increase your prices so you can take on fewer clients while earning more money.

Keep your pricing simple (for now) and frame it around your early adopters.

Next, outline your channels, or how you'll connect with, and deliver value to, your customers.

Your path to clients is one of the riskier pieces on your business plan.

You might be able to outline a problem worth solving, build out a solution, and even get a small number of customers to derive value from it.

But, it doesn't matter how awesome your product is if people don't know about it.

Channels aren't something you should defer to later. They're something you should start thinking about (and testing) from day one.

Later on, you'll be able to test which channels are working best, which are most cost-effective, and which ones are worth pursuing (and letting go of).

Here are some questions you can ask yourself to find channels to your customers:

Where do my customers hangout?

For example, if your target market is executive women who are new moms, then LinkedIn might be a good option.

If, however, your target market is non-working moms, then LinkedIn may not make sense, but a Facebook support group for new moms might.

Do direct or indirect channels make more sense?

Is your best bet selling your products and services through your own website, gym, or email channels, or does it make more sense to sell your services through partner channels?

While the former may have higher margins, they can be more costly to operate and it can take a long time to broaden your reach

As a result, it might be worth considering establishing partnerships or referral networks to grow your business faster.

For example, if you want to work with new moms, you might partner with a gym franchise who has a large client base but lacks pre- and postnatal knowledge.

If they come across a client who could benefit from your services, they could refer the client your way for a percentage of the proceeds.

If you have clients, where do most of my clients come from and how might I double down on that?

If you're like many health and fitness professionals, a lot of your initial clients will result from talking to people you know in the way you'd normally talk to them (face-to-face, email, phone, etc.) about what you do.

And, overtime, if you do good work, your next wave of clients will come from referrals from happy customers.

The good news is that you don't need to have scalable channels from day one.

It's okay to have some outbound channels to jumpstart learning, such as:

A list of close contacts (friends, family, colleagues, etc.)
Introductions from others you know
An email list generated from a teaser page
Loyal fans from reading your blogs
Social media followers from Facebook, Instagram, TikTok, etc.
Cold calling (or emailing)
Sponsoring group events

If you want a lifestyle business, rather than a large business, you might be able to never extend beyond the above methods.

That said, if you do want a larger business, identifying where scalable channels might come from in the future, as they typically take time to build, is wise.

You might consider channels like:

Content marketing
Advertising
Hiring a sales force
Generating referrals, and
SEO optimization

That's all for today. Go to your workbook now and complete the steps for in Day 4.

Tomorrow we'll jump into the numbers and define your key metrics, your cost structure, and outline your unfair advantage.

See you then!

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