

NOMAD BUSINESS COACHING

Autopays

Why Recurring Revenue?

- Recurring revenue refers to the portion of the company's revenue that is highly likely to continue in the future. It is more predictable and dependable. Industry statistics show a correlation between businesses with high levels of recurring revenue and higher levels of business success.
- Paying "by the class" (ie. punch cards, low commitment passes) is expensive, encourages low commitment and increases client attrition.
- Recurring revenue, like an autopay membership, offers savings to clients and promotes increased practice frequency (and therefore theoretical benefits). It also increases community, builds loyalty, and brand ambassadorship.
- When you set up your Autopay as a Membership, you can also offer benefits that make your students feel appreciated and special such as: product discounts and exclusive offers.

Benefits of Setting Up a Rockin' Autopay Membership:

- Stabilizes revenue: students purchase on a regular basis which makes your revenue more predictable and your cash flow more even
- Improves client retention: clients see more benefits and are more committed to your business
- Reduces barriers to entry: a more affordable price makes the membership more accessible vs large purchase memberships (6 month or annual passes) and more appealing after an Intro offer
- Increases Intro conversion: offer a specially priced Autopay to students during their Intro
- Keeps you competitive: reduced pricing with recurring revenue lets you stay competitive with other wellness businesses and enables you to add special member benefits, without de-valuing your product

Setting up Autopay Memberships in MB:

Autopay Pricing Option:

Set up 2 Autopay pricing options in MB: one regular priced Autopay that will be advertised on your website and pricing sheet and one specially priced Autopay that will be offered only to students on your Intro to boost retention off your Intro offer and increase conversion to Membership.

Manager Tools > Pricing Options > Add New (fill in appropriate information)

Contracts:

Create a separate contract in Mindbody for each Autopay pricing option. Add your Autopay pricing options to its respective Contract. Contracts are used to create recurring billing payment schedules and allow you to also put the legal agreement into the Contract text. You can also sell Contracts online and even record clients' agreement to contract terms and conditions.

Manager Tools > Contracts > Add New (or edit existing/ deactivate old contracts) > 1. Name 2. Add appropriate pricing option 3. Set contract options 4. Add agreement terms for the contract (see example below) > Save

Best Practices for Contract Agreement Terms:

- Low barrier of entry!
- KISS – Keep It Simple Stupid
- Never require a “set up” fee
- Never charge extra for payment processing
- Accept both credit cards and bank debits
- Offer the lowest commitment time frame possible or NO commitment time frame
- Cancellation in writing (email) required
- Only 15 days notice if you require a minimum commitment time; 30 days cancellation notice for no commitment options
- Having a cancellation questionnaire is a good idea
- Allow for online sales

Memberships:

Be sure to create an Autopay that has a Membership attached for ease of tracking and reporting. Memberships give your students special icon indicators and allow you to give them certain discounts/privileges that your other students don't get.

*You will also want to create a Membership for your Intro offer in order to restrict your specially priced Autopay to your Intro students as long as they are on the Intro offer.

To Create Memberships:

Manager Tools > Client > Membership Set Up > Add New > create Membership Name (eg. Autopay, Newbie Autopay (special price during Intro), Intro) > choose icon for

membership > select whether that membership will receive a discount on your products or services > check any other relevant boxes > Save

To Make Pricing Option a Membership:

Services and Pricing > Click on your Autopay pricing option > Additional Options > Under “Membership” select appropriate membership (*you can also add a new membership from this drop down menu) > Save

To Make a Specially Priced Autopay Restricted to Intro Students:

*Create a separate contract and pricing option for a lower priced Autopay

*Create and apply a Membership to your Intro pricing option

Follow Steps for Make Pricing Option a Membership for your specially priced Autopay and at the end click Save with more options OR

Manager Tools > Pricing > select Specially priced/newbie Autopay > Advanced Settings > Restrict for Members only > select your Intro membership > Save

Autopay Contract Example

MEMBERSHIP TERMS & CONDITIONS

This contract states that _____ agrees to pay \$_____ plus applicable taxes to Nomad Yoga Studio.

Contract Start Date: _____

By signing up for the Autopay, _____ agrees to pay \$_____ (+applicable taxes) per month to for at least 3 months via automatic payment on a credit card or withdrawal from a bank account, and also agrees to the following terms:

- a. Your monthly payment runs on the same day of the month each month as your contract start date. After the minimum commitment is reached, this membership will automatically continue on a month-to-month basis until 15 days written cancellation notice is received via email to info@nomadyogastudio.com.
- b. You have the **option to cancel anytime after 3 months** by emailing info@nomadyogastudio.com. We require **15 days written notice** for all cancellations or your cancellation will not take affect until after your next billing cycle. There are **absolutely no refunds** on memberships, so please keep our cancellation policy in mind and be sure to provide adequate notice. It's up to you to be pro-active and respectful of small business in this regard. We cannot be held responsible for your lack of communication and want to ensure you have nothing but positive interactions at our studio. These guidelines are intended to help make this possible.
- c. No sharing of Autopay or Membership Perks.
- d. The Autopay **can be frozen for 1 month annually** at no charge to allow for vacations/travel. Please send us an email at info@nomadyogastudio.com at least 30

days in advance to freeze your account. Additional emergency holds are subject to a \$35 admin fee. A frozen month does not count toward the minimum commitment.

e. You will be notified if your credit card or checking account payment fails to authorize for any reason. A \$35 administration fee will be applied to any failed transactions that are not resolved within 15 days from the date of the failed payment. Any balance owing that has not been resolved within 30 days of the failed payment will result in the automatic cancellation of the Autopay and suspension of all services and perks.

f. If you purchase and schedule the Autopay to begin in the future, the first month is always charged the day you sign up. Your activation date and future charge dates will be according to the contract start date you confirmed when purchasing.

g. You will receive the following **Membership Perks** and enjoy the same great monthly rate as long as you stay on the Autopay: 3 buddy passes per year, 10% off regular priced retail (excluding food and drinks), kids 5-12 practice the floor series for free, kids 13-18 drop in for \$5, rate lock as long as you stay on the membership.

Thank you for committing to your health and wellness and for making the world a healthier and happier place in the process. Sign up for classes online at <http://nomadyoga.com>. See you in the hot room!

Autopay Receipt Notes Example

Congratulations! You've just made a very powerful decision to give yourself the attention you deserve. Thank you for committing to your health and wellness and for making the world a healthier and happier place in the process!

Be sure to download our app <link> to stay up to date on all our current events.

As an Autopay member you're entitled to exclusive perks: 10% off regular priced retail, 3 buddy passes, discounted kids yoga, and rate lock (never pay more as long as you're on your membership).

You have the option to cancel anytime after 3 months (payments) but your pass will continue until you notify us of your desire to cancel. To place your pass on hold or cancel, please email us at www.nomadyogastudio.com.

Autopay Cancellation Email Template

It's a good idea to have protocol in place for Autopay cancellations so that you can try to retain them as students and also maintain their good feeling about your business. Some studios choose to phone students who request to cancel their membership, others require students to fill out a survey or give the reason for their cancellation so they can improve

their services for the future. The following is an example of an email template that could be sent to students who request to cancel their membership:

***Check account details to make sure 3 month commitment has been reached and 15 days notice has been given.**

Hi <STUDENTNAME>,

We're sorry to hear that you want to cancel your monthly Autopay. We hope you've enjoyed your experience at the studio and have experienced many of the benefits <Your Yoga or Health Product Name> has to offer, such as improved strength and flexibility, decreased bodily tension and stress, and so much more.

If you have any feedback or if there is anything we can do to help you continue your yoga practice, please let us know.

We'd also like to remind you that you are able to freeze your Autopay for 1 month annually completely free of charge. Additional freezes cost \$35 per month. This is a great option that allows you to keep your current low monthly rate and keep experiencing all the amazing benefits of <Your Yoga or Health Product Name>. ***IF ON SPECIAL LOWER PRICED AUTOPAY:** Keep in mind that your current low rate of <\$89> will not be available again once the membership has been cancelled. If you would like to freeze your membership instead of cancelling it, please let us know by replying to this email.

***INCLUDE THIS IF MINIMUM COMMITMENT/NOTICE HAS NOT BEEN GIVEN: Since the agreement requires a minimum of <3 PAYMENTS / 15 DAYS WRITTEN NOTICE>, the cancellation will take effect after the next billing cycle.**

Your final payment will be on <DATE> and your membership will be valid until <DATE>.

As a thank you for being a Crew member, we would like to offer you a special deal: \$50 off the 10 Pack – only \$120! Visit our [Online Store](#) and use the Promo Code: 10PACK. *This offer expires on the same day as your membership.

Our students are extremely important to us and we value your business. We hope you have enjoyed being part of our crew and we hope to see you back in the hot room soon.

All the best,
<YOUR NAME>

Autopay Auto-Emails

Enabling the Autopay-related auto-emails (Manager Tools > Communications and Marketing > Auto-Emails) is a great way to help manage your memberships. Be sure to check out the Autopay-related “Client Alerts” (under Manager Tools > Settings > Client Settings > Client Alerts) if you use those at your business as well.

- Autopay Failed Notification
- Autopay Purchase Confirmation
- Contract Confirmation
- Credit Card Expiration
- Contract (Business Mode)
- Contract Reminder
- Contract Renewal Notification
- Contract Unsuspended

Autopay Reports

Be sure to familiarize yourself with these reports to properly track and manage your Autopays. *The Autopay Detail and Summary reports are particularly important for managing and following up on any failed payments.

- Autopay Summary (how many AP's run in a specific date range and total \$)
- Autopay Detail (detailed info about your AP's per day)
- Autopay Expirations (who's AP is expiring when)
- Autopay CC Expirations (who's credit card on file is expiring when)
- Membership Report (view active and canceled members, etc)