OPERATIONS, MODULE 6

Memberships

A membership turns a patient who might come back into one who has already decided to. It is the single biggest lever on what a clinic is worth, and most clinics either do not have one or have one that is really a discount card. After this module you can design one that is neither.

Why it is the biggest lever

- **Predictable revenue.** A hundred members at $149 is $14,900 on the first of the month before anyone walks in.
- **Members spend more.** Across the industry, members visit roughly three times as often and spend about a third more a year than non-members, and their spend per visit runs 1.5x and up.
- **Buyers pay for it.** The 2026 M&A advisor reports (Advanced 5) put membership at 30 to 40 percent of revenue as worth up to a full turn of multiple, the largest single driver in their data.
- **It smooths cash.** January and August stop being scary.

Design: the four decisions

Decision	The rule	Harbor Aesthetics example
What is inside	One thing they want monthly, priced so the included treatment covers its product cost and the clinic still earns on the fee. Add perks that cost you little: priority booking, a member price on add-ons, a birthday treatment.	Glow, $149: one facial or 20 units of neurotoxin banked monthly, 10% off retail, priority booking
How many tiers	Two. One entry, one for injectables patients. A third tier confuses the desk and the patient.	Glow $149; Glow Plus $299 with 40 units banked and a quarterly add-on
Banking rules	Unused value banks for a fixed period (six months is common), then expires. Write it down; it is a contract and it is the breakage rule your CPA needs (Finance 2).	Banks six months, expires after, no cash value
Commitment	Month to month with a three month minimum, or an annual prepay tier at a discount. The annual tier is the churn fix.	Three month minimum; annual prepay at 10% off

> **The discount card mistake.** If the membership is "10% off everything" for a fee, members are your existing best patients paying a fee to spend less. Member spend per visit falls below non-member spend, and the program costs money. A membership should include a treatment, so it creates a visit, not a discount.

Pricing it

Start from the included treatment. If the treatment costs $28 in product and the member pays $149, the clinic earns on the fee even at one visit; if the member also buys retail and an add-on, the visit is worth more than a non-member's. Check the arithmetic at three visit rates (uses it every month, every other month, rarely) and make sure the clinic is fine at all three. Price against the walk-in price for the same treatment: the member should save 10 to 20 percent versus paying each time, not 40.

Selling it

Memberships are sold at checkout, by a person, after a visit that went well. Not by a poster. Three things make the difference:

1. **A 30 second pitch everyone knows by heart.** "You're in every three months for this anyway. Members bank it monthly, save about $15 a visit, and get first pick of the schedule. Want me to set that up?"
2. **An incentive for the person who asks.** $25 per signup and a bonus at ten in a month is typical, paid through payroll, accrued to the month earned, and capped at a share of first month fees so it always pays for itself. Track signups by person on the scorecard.
3. **A founding member offer at launch.** A better rate locked for life for the first 50. Scarcity that is true.

Keeping them: churn

Churn is cancellations divided by members at the start of the month. Five to ten percent a month is the common band; under five is the target. At 8 percent a month, a clinic loses most of its members within a year and is running to stand still. The fixes, in order:

- **Ask every cancelling member why, and log it.** Price, moved, not using it, unhappy. The log tells you which tier or rule to change.
- **Book the next visit at checkout for members too.** A member with no appointment is a member about to cancel.
- **Failed payments are not cancellations.** A card that expired needs a text, not a goodbye. Run the failed payment list weekly.
- **Annual prepay.** Members who pay for the year do not churn monthly. Test the tier once you have 50 members.

The accounting, in one paragraph

The fee collected on the first is owed to the member until the month passes and the included treatment is delivered or banked. Banked value is a liability until used or expired. Your booking or membership platform tracks this per member; the books carry the total. Getting this wrong overstates revenue and, at sale, gets found (Finance 2).

> **Where Benchmark comes in.** We design the tiers with you and price them against your product cost, set the staff incentive so it pays for itself, load the memberships and the deferred revenue accounts, track adds, cancels, churn and incentives on the scorecard every month, and make a membership launch the first growth initiative for most clients.

Try it yourself

- [ ] Write down what your membership includes. If the answer is only "a discount," redesign it around a treatment.
- [ ] Pull members at the start of last month and cancellations during it. Divide. That is your churn.
- [ ] Write the 30 second pitch. Read it out loud to someone at the desk today.

Check yourself: Operations 6

Which is most reliably worth a higher multiple at sale?

- A new laser
- Membership revenue at a third of total
- A bigger Instagram following

Recurring revenue is the lever every source names first.

A membership that is "15% off everything" for $49 a month usually

- Increases spend per visit
- Turns your best patients into fee paying discount patients
- Has no effect

Include a treatment so the membership creates visits, not discounts.

120 members at the start of the month, 9 cancelled. Churn is

- 9%
- 7.5%
- 0.9%

9 divided by 120.

Where are most memberships sold?

- On the website
- At checkout, by a person, after a good visit
- On Instagram

A pitch everyone knows, and an incentive for asking.

A member's card fails on the first. You should

- Cancel the membership
- Text them; a failed payment is not a cancellation
- Wait until next month

Run the failed payment list weekly. Most are expired cards.

Pick an answer for each question.

Want this done, not just explained?

The 10-Day Sprint finds the leaks for $1,000, one time. After that, on the plan, the scorecard keeps coming and at least one growth initiative is executed with you every month. Plans from $2,299 a month. Everything in this module is part of that work.

See the sprint and pricing | Text Nate

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