

CLUP BUSINESS INTERNATIONAL

Brick by Brick

COED MULTIPURPOSE, WOMEN-ONLY, FRANCHISE, BOUTIQUE—VICTOR AND LYNNE BRICK CONTINUE TO CONSTRUCT THEIR UNIQUE FITNESS EMPIRE



Stronger and stronger:
Lynne and Victor Brick

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In 1985, Victor and Lynne Brick opened their first club in Timonium, Maryland. Today, they're the proprietors of five Brick Bodies coed facilities, two Lynne Brick women-only clubs, 43 Planet Fitness franchises in four states and Washington, D.C., and have just launched the first in a series of Studio B Yoga and Barre studios. One can only wonder what's coming next!

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Cover and photo above: Chelsea Clough Abel Communications



Family business: from l., Victor,
Vicki, and Lynne Brick

Lynne and Victor Brick

These industry pioneers have passed on the reins of Brick Bodies to their daughter, Vicki, and embarked on a new fitness franchise route

By Patricia Amend

CBI: Tracking you down has been a bit of a challenge—you seem to be particularly busy these days. What’s going on?

LYNNE BRICK: Right now, we’re serving on the board of directors of one of our companies, Brick Bodies Fitness Services, Inc., to help our daughter, Vicki, the CEO, with the big decisions—things such as relocating an existing club, selecting a site for a new one, major renovations, and reworking debt. We’re also managing Planet Fitness Growth Partners, LLC (PFGP), our Planet Fitness franchise, where our principal responsibilities are strategic planning, corporate culture, and staff morale. Victor serves as CEO, and I’m the CCO, or chief culture officer. I also serve on the franchise advisory council for Planet Fitness, and chair its fitness committee.

CBI: And, on the personal front?

LB: Well, we’ve moved from Baltimore to Miami Beach, but, because our corporate headquarters for Brick Bodies and PFGP is still in Baltimore, we spend a good bit of time there. ... We remain committed to our own personal health and fitness, and have recently embraced yoga; and Victor has mastered Shavasana, otherwise known as “the dead man’s pose.”

CBI: You’ve been involved in the industry for over 30 years now. Remind us how you started out.

VICTOR BRICK: In 1982, Lynne was a nurse at the University of Maryland’s Shock Trauma Center, the first such facility in the world. I was a recreation director and a part-time college basketball coach, and in search of additional income. I answered an ad in the *Baltimore Sun* for a weight loss and aerobics instructor at the Bel Air Athletic Club, in Bel Air, Maryland, and was hired.

I was thinking Ken Cooper–style aerobics—running, swimming, and biking—but this was aerobic *dance*. Realizing I was in over my head, I talked Lynne, a dancer, into taking over the classes. She was a hit, so, soon, we were renting space at another club and running a part-time aerobic dance business. Lynne was teaching 22 classes a week, we had 300 students paying \$39 each for a six-week session, and were netting \$200–\$300 per session. We thought it couldn’t get any better than that.

CBI: But, obviously, it did. What happened next?

VB: Lynne became pregnant with our second child, Jon, and couldn’t teach as many classes, so we had two choices: We could just let the business go, or pursue our dream of getting into the fitness industry full-time.

We decided to take a leap of faith, and, in August of 1985, borrowed \$125,000 from my parents to buy the Padonia Fitness Center in Timonium, Maryland, which still serves as our headquarters today. At first, there were times when we literally cried →

Highlights

- » New roles
- » New directions
- » Succession success
- » Future growth plans

The husband-and-wife team of **Victor and Lynne Brick** founded Brick Bodies Fitness Services, Inc., in 1985 when they purchased their first club in Padonia, Maryland. Both are graduates of Towson University, near Baltimore, he with a B.S. in physical education and an M.S. in education, and she with a B.S. in nursing. The couple subsequently developed a chain of five Brick Bodies coed, and two Lynne Brick’s women-only, facilities, in Baltimore. In 2008, the Bricks purchased their first Planet Fitness franchise in Maryland, and formed Planet Fitness Growth Partners, LLC (PFGP). In 2014, they obtained \$35 million in financing from Alaris Royalty Corp., a Canadian private equity firm, and, in 2015, a \$58.75-million credit facility via GE Capital’s Franchise Finance business. Today, they operate 43 Planet Fitness facilities in four states and Washington, D.C. The Bricks have been married for 36 years, and have two children, Vicki, 34, the CEO of Brick Bodies, and Jon, 31. →

ourselves to sleep wondering how we'd make payroll, but with luck, hard work, and help from our great staff and members, we turned the corner in October of that year, and, since then, have never looked back.

CBI: Which has brought you, today, to?

VP: Today we have five Brick Bodies coed and two Lynne Brick's women-only clubs in Baltimore, and 43 Planet Fitness franchises in four states and Washington, D.C. Taken together, we're serving over 375,000 members.

CBI: Working with a partner is never easy, particularly when

but, more recently, you've embarked, with Planet Fitness, on the high-volume/low-priced franchise route. Why the shift?

VB: We saw an emerging market, and an opportunity to join the clear category leader early on. Our 43 franchises are located in Maryland, Florida, Washington, D.C., and Seattle, Washington. We have plans to expand to at least 100 locations within the next five years. We'll accomplish this via expansion in our existing territories, acquisitions, and greenfield opportunities.

CBI: In 2014, your franchise arm, PFGP, obtained \$35 million in financing from Alaris Royalty

Cavolo; and advisors Earl Ihle, Terry Woods, and Chuck Cavolo.

CBI: Turning to the topic of succession: We understand that, at first, Vicki wasn't interested in the family business. What's your advice to owners who'd like to have their children succeed them?

LB: Vicki is now 34. She wasn't interested, initially, because she'd been *over-exposed* to the business growing up. My advice is to let your children find their own way. For example, our son, Jon, chose, instead, to move into the tech industry in San Francisco. We encourage our kids to choose their own path, and to constantly move in the direction of their dreams—much like Victor and I did.

“We see technology playing a major role in the growth of the industry, but humans are inherently social beings, so there will always be a market for brick-and-mortar locations. The big winners will be the ones who effectively marry the two.”

CBI: Do you think kids should work with their parents from the start? Or do you suggest they do something else first?

VB: We recommend that children work outside the fitness industry for a minimum of two to three years to provide them with a point of reference.

We also suggest that kids travel abroad before entering the family business. Vicki played basketball in Australia and for the Filipino National Team after having played for the University of Maryland; and Jon played basketball in Peru after playing collegiately for The Citadel.

Finally, we recommend that they work in other health club organizations to gain a different perspective on how things can be done, and to determine if the industry is really right for them. Vicki and Jon both spent extensive time working in some of our friends' clubs around the world.

one's partner is also one's spouse. How have you made it work?

LB: Most key issues in business can be boiled down to two things: focus and communication. To run a business effectively, whether you're partners, husband-and-wife, or co-workers, you have to communicate. You have to have clearly defined roles—formal job descriptions with a prime directive for each position. Then you need to focus on that prime directive. You need to stay out of one another's way, over-communicate, and keep in mind, as Don Corleone said in *The Godfather*, “Nothing personal—strictly business.” Finally, you need to trust each other.

CBI: For a long time, you owned and operated traditional clubs,

Corp., a Canadian private equity firm, and, last year, a \$58.75-million credit facility from GE Capital's Franchise Finance business. Pretty impressive!

VB: The details are confidential; however, the bottom line is that the size of these deals is proof of the regard that financial institutions have for the Planet Fitness model. Needless to say, we're thrilled we were able to acquire this amount of capital without giving up equity.

The key to any such deal is to start with the end in mind. We developed a strategy with our franchise that made us very appealing to financial institutions. It included assembling a management team of equity players that consists of our COO, Jerry Woods; our CFO, Glenn Norris; our Tennessee COO, Chris

CBI: There seems to be a generational change afoot in the industry. What do you think younger people, such as Vicki, bring to the industry?

LB: We didn't think about succession until our kids were in college. We were

prepared to carry on the business without them, if necessary, by either promoting from within or bringing in outside leadership. Like many children, ours didn't know what they wanted to do until they were out of college.

Young people introduce energy and creativity. They're not content with the status quo. They're more in touch with current trends. They tend to think outside the box. They're fearless, focused, and tireless. And they have a sense of urgency—they want to do everything *yesterday*.

Vicki has breathed new life into Brick Bodies. The new programming and group training ideas she's initiated have generated excitement in the clubs, and the members and staff love it.

CBI: Turning to the industry, in general: Do you see the market segmenting even further? If so, how?

VB: It seems to me that we've just scratched the surface. Only about 20% of the American population—and far less, worldwide—belongs to a health club. For most other industries and products, 20% is generally the tipping point—when everyone starts embracing an idea. So I believe the best years for the industry lie ahead.

LB: With respect to studios, I think it's interesting to see things come full-circle. Victor and I started with an aerobics-only studio over 34 years ago. It'll be interesting to see if the studio and boutique models can maintain their market share and price points as large full-service clubs begin to incorporate more "boutique" programs and services, at much lower price points, and incorporate them into layered memberships.

We see technology playing a major role in the growth of the industry, but humans are inherently social beings,

so there will always be a market for brick-and-mortar locations. The big winners will be the ones who effectively marry the two.

In addition, we see that healthcare providers, insurance companies, and corporations are coming to realize, even more, how important diet, exercise, and fitness are to the prevention of disease and illness. We also see companies investing more heavily in fitness and wellness programs to improve employee productivity and reduce healthcare costs. Again, this will create great opportunities for fitness organizations to serve these populations.

CBI: What's the five-year plan for your business—and for yourselves—look like?

LB: Vicki has plans to expand Brick Bodies into the boutique studio space. She's opening Studio B Yoga and →

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“Over the next five years, we see our focus shifting from growing our own Planet Fitness franchise to working more with Planet Fitness Corporate, in order to increase the value proposition of the brand.”

Barre—the first of, hopefully, many yoga and barre studios—in conjunction with one of our clubs, which will involve a separate membership and a separate entrance. We want to continue to accomplish our core purpose of changing people’s lives in the Baltimore-Washington area. Besides our expansion into the boutique yoga and barre studio space, Vicki has plans to relocate or expand three of our existing clubs, and to open at least two more large

multiservice facilities.

Over the next five years, we see our focus shifting from growing our own Planet Fitness franchise to working more with Planet Fitness Corporate, in order to increase the value proposition of the brand. We also see ourselves doing more writing, public speaking, traveling, and enjoying life.

VB: I’d also like to mention that we’ve created the John W. Brick Mental

Health Foundation, named for my oldest brother, John, who suffered from schizophrenia all his life and died from complications of the disease. Its mission is to further learning about how exercise, diet, relationships, and the healthcare system fit together to improve mental health. We want to put mental *health* into mental illness. This, ultimately, will be our legacy. We firmly believe that, ultimately, you’ll be judged by what you give back to society.

CBI: Has IHRSA been helpful as you’ve grown your business?

VB: We owe a great deal of our success to IHRSA. One of the secrets of success is to constantly hang out with people who know more than you do. If you’re the smartest guy in the room, you’re in the wrong room. With IHRSA, you’re *never* the smartest guy in the room. →



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