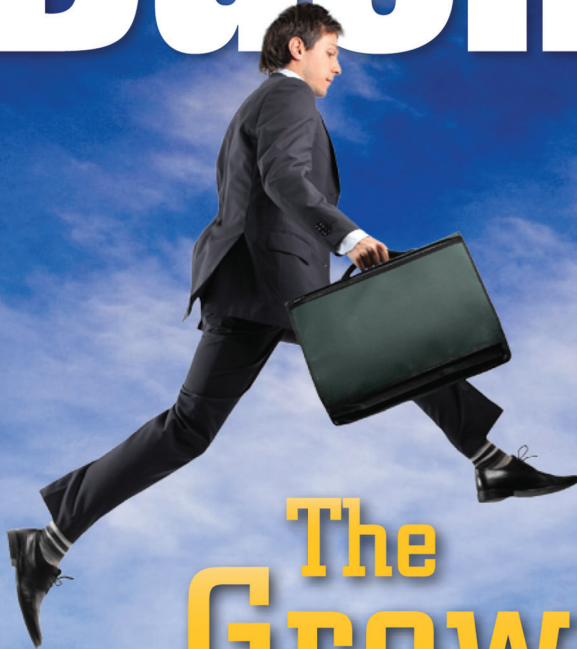


Roundtable: Are You Working Harder for Less Profit?

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MAR. 2012

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John Leonesio: Forging Chains of Success

From chains to franchise networks, Leonesio builds by focusing on key industry changes

by Alison Stanton

REFERRING TO HIS decades of experience creating successful businesses, John Leonesio, CEO of The Joint...the chiropractic place, jokingly refers to himself as a “one-trick pony.” His “trick”? Growing four businesses from the idea stage to hundreds of locations around the country.

The key, Leonesio says, is taking specific parts of industries that need to be improved, finding a way to do it, and then sticking with an already-proven business model to make the business grow. “I am not out to change the industry; I’m only changing the way it’s brought to the public by giving them what they want and how it is delivered,” he says. “The concept I know is how to create the successful model and let it get its own momentum, and build up brand recognition.”

Leonesio’s interest in franchises began more than 40 years ago, when he and his brother Frank started their own chain of health clubs called Scandinavian Health Spas. Over time, the duo built up the business to about 40 health clubs, which they sold to Bally Health and Fitness in 1985.

Leonesio stayed with the health club genre for his second endeavor, opening another fitness club in the Valley in 1990 that he named Q, the Sports Club. “I built 20 of them in five years then sold them to 24 Hour Fitness,” he says. “The difference between the chains was that with Q, they were all identical and the

operating system was identical. Q showed me that if you have a successful business model, it can be duplicated over and over.”

His first franchise business came next, but it didn’t start as a franchise idea. He had learned during his time with Q that, for many people, getting a massage was not merely a luxury but rather an important part of their fitness routine. “I realized that people who are into fitness like massages because they can help them recover quicker from their workouts, and I saw a trend developing where people wanted to get massages but they wanted the places to stay open later and on the weekends,” he says. “Price is also always a factor with people, and so if I could also help make massage affordable, I would. I really looked at what the customers wanted.”

In 2002, Leonesio founded Massage Envy, anticipating opening a chain of five or six locations around the Valley. “I wasn’t focusing on franchising at the time, but after six months I explored it as an option.” He decided he wanted to license the locations and teach others how to do the system, so franchising made sense. In six years, he had grown the franchise from idea to a \$300 million company with more than 800 licenses awarded. He then sold the company to Natural Wellness USA, Inc.

Leonesio’s latest endeavor is The Joint, which was founded in 1999 by Fred Gerretzen,

D.C., in Tucson. Looking to take the concept to the next level, The Joint hired Leonesio as CEO in 2010 due to his success with Massage Envy. He quickly turned the franchise from its faltering growth to an expanding enterprise that now has more than 150 clinics open or in development in multiple states, including Arizona, California and Louisiana. “I’m applying the same core strategies that made Massage Envy so successful, by incorporating chiropractic care into the wellness routine and making it accessible and affordable to everyone.”

Leonesio says he has thoroughly enjoyed his experience in franchises, which he says he has tried to keep as simple as possible so that each franchisee can be successful. Noting that the health clubs didn’t lend themselves well to franchising because they required a substantial investment — each Q location cost about \$7.5 million — and were fairly complex to run, he explains that his model for a franchise is a business that is inexpensive and whose operation is fairly easy to teach. “I’m just very enamored with franchises and the concept of helping people fulfill their dreams of opening their own companies.” ■

The Joint...the chiropractic place thejoint.com

Expanding on a Concept

- Leonesio’s goal for The Joint...the chiropractic place is to have 1,000 franchises and 500,000 members in 10 years.
- As of January this year, The Joint...the chiropractic place has 33 clinics open, 146 awarded and in development and 149 in agreement with Regional Developers. Locations are in Arizona, California, Louisiana, Texas, Colorado, Kansas, Nebraska, Florida, Georgia, South Carolina, Nevada, New Mexico, Missouri and Utah. Another 202 units are under agreement with additional Regional Developers.
- Leonesio founded Massage Envy in 2002 and sold it to Natural Wellness USA in 2008 with 800 franchise licenses awarded and 350 clinics opened.
- Leonesio built twenty Q, the Sports Clubs between 1990 and 1999, when he sold them to 24 Hour Fitness.
- Leonesio and his brother grew Scandinavian Health Spas to 40 locations nationwide, and sold the company in 1985 to Bally Health and Fitness.



Photo: The Joint...the chiropractic place